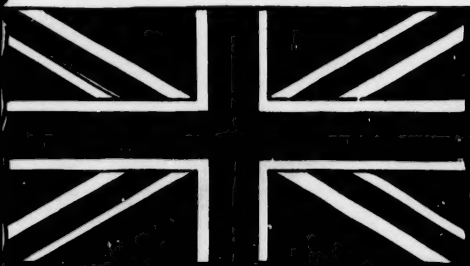




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WITHIN THE EMPIRE

IMPERIAL FEDERATION

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“We are anxious above all things to conserve, to unify, to strengthen the Empire of the Queen, because it is to the trade that is carried on WITHIN THE EMPIRE that we look for the vital force of the Commerce of this country.—*Lord Salisbury.*”

WITHIN THE EMPIRE;

AN ESSAY ON

IMPERIAL FEDERATION.



—BY—

THOMAS MACFARLANE, F.R.S.C.



OTTAWA:
JAMES HOPE & Co.,
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IMPERIAL FEDERATION

TO
LIEUT.-COL. C. E. HOWARD VINCENT, C.B., M.P., ETC.,
A MEMBER OF THE EXECUTIVE COMMITTEE
OF THE
IMPERIAL FEDERATION LEAGUE
AND FOUNDER OF THE
UNITED EMPIRE TRADE LEAGUE,
THIS ESSAY IS, BY PERMISSION,
MOST RESPECTFULLY DEDICATED,
IN THE HOPE THAT ITS CONTENTS MAY ASSIST
IN THE ADOPTION,
BY BOTH LEAGUES,
OF ONE AND THE SAME PLAN FOR THE ESTABLISHMENT OF A
UNITED BRITISH EMPIRE.

THE UNITED STATES OF AMERICA

DO

THE SECRETARY OF THE INTERIOR

WASHINGTON, D. C.

TO THE SECRETARY OF THE INTERIOR

DEPARTMENT OF THE INTERIOR

WASHINGTON, D. C.

IN RESPONSE TO YOUR LETTER OF

THE 10TH INSTANT

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INTRODUCTION.

Federation or Separation? Which of these fates is in store for that wonderful aggregate of states or nations called the British Empire? This is a question which has probably presented itself to many minds during the last few years. As regards Separation it is enough to say that it is opposed to the patriotic sentiment of the vast majority of British subjects throughout the Empire. Moreover it is impossible of accomplishment, for the consent of all the authorities interested is necessary to such a change. On the other hand many believe that the question of Imperial Federation will force itself upon us for settlement at no very distant date. But before an ordinary citizen of Great or Greater Britain will bestir himself to face this problem he will naturally ask: Cannot we remain as we are? Is not the present form of Britain's connection with her various possessions satisfactory, and inherently permanent?

Not a few of the people interested and some individuals in high position, are inclined to answer these questions affirmatively. Voices to this effect were heard not long ago in the Dominion House of Commons, and even at one of the meetings called to organize the Imperial Federation League some were present who objected to declaring that "the political relations between Great Britain and her colonies must inevitably lead to federation or disintegration."

Nevertheless, it is possible to maintain that the relations in question are not satisfactory. This will become evident to any one who seriously asks himself the following questions:—How

long can the United Kingdom be expected to protect, at her own expense, the shipping and coasts of all the British Colonies and dependencies? How long will these British possessions be content to have their foreign affairs controlled by a Parliament in which they have no representation? The answer to these queries can scarcely be different in substance from the following:—Only until an arrangement can be made more advantageous for all concerned. This conclusion brings us to face the enquiry as to whether such an advantageous re-arrangement can be found in Imperial Federation.

Five years have elapsed since I read a paper before the Montreal Branch of the Imperial Federation League in Canada entitled, "A United Empire." In writing this and a good many other articles, which have since appeared in the columns of *Imperial Federation*, and other journals, it seemed to me as if the advantages to be derived from a consolidation of the Empire increased, and the difficulties in the way of such a consummation decreased with every renewed consideration of the subject. I have since become a firm believer in the practicability of a closer British Union, and have endeavoured in this essay to recast the articles above referred to, incorporate them with new matter and place them before my fellow countrymen in the hope of inducing in them a like faith. It is not my object to provide an original scheme for the reconstruction of the British Empire, for many of the suggestions here embodied have long been before the public. But I have tried to imitate the

example of Watt with the steam engine, and to so combine these as to produce a plan which may ultimately result in the construction of a political machine, capable of working well and harmoniously for the common weal.

It is not, however, to be assumed that the "common weal" of all British subjects is to be found in unlimited extension of the suffrage, in placing our trade interests at the mercy of foreigners, or in completely abolishing the House of Lords; neither can it consist in a levelling up of all orders, classes and races in the Empire to one common standing. Efforts of this sort have ended in failure before now. About two hundred and fifty years ago the Commons of England passed an Act declaring that the country and its dominions and territories should hereafter be governed as a Commonwealth and Free State "for the good of the people, and that without any King or House of Lords." It was the fashion of that time to make short work with

machinery of Government. The Long Parliament had shortened the King by a head; Cromwell had shortened the Long Parliament to a rump, and finally the Rump materially shortened the constitution and essayed to govern England "without any King or House of Lords." It may at once be stated that this quotation does not furnish, even in a distant degree, a text for the present essay. On the contrary, it is my conviction that by conserving the rights of the Crown, and properly exercising them, by making use of the stability and statesmanship to be found in an upper House, and by defending the commercial interests as well as the territorial integrity of the Empire, a compact aggregate of British Nations would result, well entitled to be called an Imperial Commonwealth, and fully able to promote the material prosperity and highest welfare, in short, the "Commonweal" of all British subjects and all the varied races now living "within the Empire."

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CHAPTER I.

The Necessity for Action.

When the news arrived from England six years ago, of the formation of the Imperial Federation League by some of the foremost statesmen and administrators in the Empire, it was received as glad tidings by many loyal hearts. In these, the hope of a United Empire had been hidden away for years without a chance of germinating. In 1885 the favourable time seemed to have arrived to agitate for the Unity of the Empire, and "The Imperial Federation League in Canada" was formed. The founders of the League at home gave no uncertain sound with regard to their objects, and while acknowledging that their path was beset with difficulties, they were ready, whenever opportunity offered, to point these out, and discuss the best means of overcoming them. It is true that the resolutions adopted were general and elastic, but several of the leaders gave their views quite freely regarding the political aspect of Federation, and even discussed the best plan of establishing a Parliament for the Empire. It was hoped and expected that, by such discussions and candid interchanges of opinion, a plan for the proposed Federation would gradually be developed, satisfactory to the great majority of the members of the League, capable of being placed before the English and Colonial public as its platform and of being pressed upon the statesmen of the Empire for consideration and action.

It has to be admitted, unfortunately,

that these expectations have not been realised, and that many loyalists in Canada are again beginning to experience a little of the hope deferred which "maketh the heart sick." Not only have the utterances of our leaders become more and more indistinct, but the efforts of members to get the policy of the League defined have been discouraged, and it has become the fashion to sneer at such troublesome individuals as "constitution-mongers." Speaking generally, it may be said that Lord Salisbury's remark about the Fair Traders applies with equal force to Imperial Federationists: "Where they are precise they are not agreed and where they are agreed they are not precise." When we reflect that the Anti-Corn Law League accomplished its object in seven years, that from the start that object was well defined and that five years have elapsed since our movement was inaugurated, we cannot but be convinced that an accelerated rate of progress would result if the Federation faith were properly formulated, and a standard raised round which true British men might rally and fight, and which they might ultimately carry forward to victory. From the following facts it will, however, be seen that there is no hope of this at present, and that therefore individual Federationists are justified in speaking out and insisting that the time has arrived for action on the part of the League as a whole.

On the 23rd of July, 1889, Lord Salis-

bury wrote to the President of the Imperial Federation League, on behalf of himself and colleagues in the Imperial Government, that they would "be happy to receive and to consider, with all the respect due to a communication from so influential a body, any suggestions which the League desires to make for the purpose of modifying the relations between this country and its colonies." No such suggestion has since been made by the Council of the League, much to the regret of many who are anxious for the progress of the movement.

For a long time the Imperial Federation League avoided the adoption of any particular plan for closer union. At last, it ventured a step forward and applied to Her Majesty's Government to summon a second Colonial Conference. Every federationist would, without doubt, have hailed with joy the assembling of another Council of the Empire, but Lord Salisbury was averse to the proposal, and expressed the opinion that "it would be an unusual and inexpedient course for the government to summon a meeting to consider the question of Federation unless they were themselves prepared to make a recommendation on the subject." Under these circumstances the wisdom of persisting in the application for summoning a conference at once may well be questioned.

Here in Canada when the Government is approached by the representatives of any body of citizens, the latter would consider itself as very fairly and favourably treated, if requested to formulate its views for the consideration of Ministers. They would only be too glad to do so, especially if the Premier promised to treat them "with all the respect due to so influential a body." There does not seem to be any reason

why, in England, such a course would not be fitting, and there is too much reason to fear that the Council of the League "missed the occasion" when they neglected to take advantage of Lord Salisbury's offer to receive and consider their views.

In August, 1883, Sir Hector Langevin, delivered at Joliette, in the Province of Quebec, a forcible speech on Imperial Federation, in the presence of his colleagues in the Canadian Government, Sir Adolphe Caron and the Hon. Mr. Chapleau. In this speech Sir Hector threw down the gauntlet to Imperial Federationists, and demanded a declaration of their principles. He said: "Let them shew us in black and white how this Imperial Federation can take effect without destroying our existing liberties; let them shew us what voice we shall have in this grand Imperial Parliament, that is to decide questions concerning all quarters of the Empire; let them shew us how the United Kingdom will modify its fiscal policy so as not to force us to have recourse to direct taxation. Further, let them tell us, will our representation be based on population?" Up to the present moment this appeal remains without official rejoinder from the Imperial Federation League, although it is plain that a union, such as federationists desire, cannot be brought about without the good will of the French Canadians and their leaders. Sir Hector's opposition is bred of distrust. Imperial Federation is to him suspicious from its vagueness, and it is plain that if the fears of his compatriots are to be removed the authorities of the League must announce a more definite policy.

Several efforts have been made since the delivery of Sir Hector's speech to impress upon the officials of the League,

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both here and in England, the necessity of replying authoritatively to such demands for more information. Some plain statement of policy is indispensable to enable those who believe in Imperial Federation to convince others that a closer union of the various portions of the Empire would be of advantage all round, and that it would not, in any material degree, interfere with the rights we now enjoy. But up to the present time the Council of the League has not thought fit to move in the desired direction, and to-day Sir Hector's remark of two years ago may be repeated with equal emphasis, "the fact is that this question has not been carefully considered."

On the 9th May, 1885, scarcely six months after the inauguration of the parent society in England, the Imperial Federation League in Canada was formed. On the evening of the same day, in Montreal, a most successful public meeting was held, the newly elected president, Mr. Dalton McCarthy, presiding and giving utterance to these words: "We are all prepared to shoulder a musket in defence of the mother-land, and she is equally ready to do the same by us. If that sentiment fills every loyal heart, there can be no harm in putting in definite terms the conditions under which we can be called upon to stand shoulder to shoulder." Many eloquent words were spoken besides those of the President, but none awakened such enthusiasm as the speech of Principal Grant of Queen's University. Two years and a half afterwards the latter distinguished orator penned the following sentences in an essay entitled, "Canada First."—"The weakness inherent to political organizations that have no definite work to do is seen in the difficulty that has been found in

"forming, and maintaining in existence, branches of the Imperial Federation League. I am a member of that League, but it is evident that it will soon vanish into thin air, unless some scheme of commercial or political action is agreed upon for the carrying out of which its members may work."

Mr. G. Downes Carter, President of the League in Victoria, when visiting England, nearly two years ago, expressed himself as follows at a meeting of the League: "In speaking to-day, I simply put before you that which I believe to be the true position of affairs, and when you give the word that we are to announce a more active programme, you will find no warmer advocate than myself. Until you give that sanction we shall be perfectly loyal to the parent League; for there must not be two voices, one speaking one way and one another. But I do put this question before you for consideration, whether the time has not now arrived when we should have an active instead of a mere passive policy—whether you should not have a positive instead of a negative force, because if you do not, one does not know what at any moment may happen."

In March, 1886, Sir Frederick Young wrote regarding the Policy of the League as follows: "The time must undoubtedly come when this judicious reticence will have to be abandoned, and when some definite scheme must be put forward by the League, as the one for which it claims support, for giving practical effect to the principle it advocates—the Federation of Great Britain and her Colonies." In the same article, Sir Frederick places on record a summary of the various plans which had been proposed

for effecting the object of the League. Since then we have had four years of discussion, and the columns of *Imperial Federation* contain the thoughts of many writers on the momentous subject, but still the time referred to by Sir Frederick Young seems to be as far distant as ever.

From these quotations and the circumstances above narrated, it will be seen that from all quarters, friendly and hostile alike, the League has been urged to propound a more definite policy. But all that it can be held responsible for are the following principles taken from its published proceedings, neglecting only the resolutions which refer to matters of organization.

1. That in order to secure the permanent unity of the Empire some form of federation is essential.

2. That the object of the League is to secure by Federation the permanent unity of the Empire.

3. That no scheme of Federation should interfere with the existing rights of Local Parliaments as regards local affairs.

4. That any scheme of Imperial Federation should combine on an equitable basis the resources of the Empire for the maintenance of common interests, and adequately provide for an organized defence of common rights.

5. That the establishment of periodical conferences of representatives of the self-governing communities of the Empire should be the first aim of the Imperial Federation League.

While attempting to criticize the policy of the League, we must not neglect to acknowledge the great obligation which that body has conferred upon the friends of the movement, in providing such a journal as *Imperial*

Federation for the discussion of all phases of the question. It is hard to say which is most to be admired; the ability with which it has been conducted or the liberality with which its columns have been thrown open to the expression of every shade of opinion among Federationists.

It is also to be gratefully recognized that the League in raising the standard of the "permanent unity of the Empire" has done excellent work in England. But it can scarcely be admitted that a new organization, based upon this principle alone, was necessary in Canada, because fidelity to British connection is one of the essential characteristics of the Liberal-Conservative party. This grand principle the League proposes to secure by Federation, that is to say, if Mr. Freeman's definition is to be accepted, by causing the various parts of the Empire to form one state in its relation with other Powers. Can it be said that in its platform there is one practical measure proposed to cause the Empire to present a united front to foreign nations? To take a very simple instance, is there in it any proposition so to reorganize the British diplomatic service as to make it a careful of the interests of India and New Zealand as of England? or does it afford any prospect of the invention of a common coinage for the Empire? There is not a single practical step toward Federation proposed or even suggested, and the programme of the League might fairly be paraphrased by these words, "We want to federate the Empire, but 'don't know how, and wish the Imperial Government to take the matter 'in hand.'"

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ing closer and more substantial union," is to ask it to devise a plan and to take the responsibility of proposing it. If the Imperial Federation League cannot shoulder this responsibility, is it reasonable to ask the Imperial Government to do so? The League is only a private organization, and even if it were to make mistakes in its proposals the matter would not be so very serious. But it is very different with a Government, whose mistakes may not only be ruinous to itself, but may be also very disastrous for the country. Moreover it is doubtful whether a government can be reasonably called upon to act in a matter which has not been placed before the people, and upon which public opinion has not been formed. Even supposing that a second Colonial Conference were called, what would the League be prepared to recommend? To judge from their utterances its leaders would be "caught napping." If they were wise, before urging the government to take action they would call a Congress of Federationists and decide upon the best measures to propose. We might then be able to cease boasting that we had no programme, and frame the best that can be devised with our present light, stating plainly that it is subject to revision with the growth of our knowledge and experience. All this is the work of the League and should precede any action by Her Majesty's Government.

Such a programme should emanate from the whole Imperial Federation League throughout the Empire, and not from the Council or Executive Committee of the parent body alone. Nor, indeed, does the latter claim any monopoly in the matter. Lord Rosebery himself declares that it should be "guided by the opinion of the Colonies" with regard to another Conference.

But to obtain this by correspondence and without bringing representatives of the League together to exchange ideas verbally would be, obviously, a very imperfect course. It is true that the constitution of the League contains no provision for consulting the Colonial organizations before taking any important action, but it is quite possible for the League in England to invent such means. Indeed it is very necessary that it should do so unless the Colonial Leagues are to become independent and form their own plans. To prevent anything of this sort, and to promote the unity and progress of the movement, besides preparing the way for a second Conference, it would seem indispensable to call together a convention of Imperial Federationists. Indeed, when we come to think, it seems wonderful that nothing of the sort has yet been held, and that we have made any real progress without it.

The Imperial Federation League was not formed one moment too soon, for influences, are at work in several Colonies which will make the Consolidation of the Empire the more difficult of accomplishment the longer it is postponed. There never was a case in which it could be said with greater truth that delays are dangerous, and never one in which the time for positive action was more opportune than at present. In a speech in the House of Lords, not so very long ago, the noble President of the League made use of this very word "opportunity," and just as he then urged reform on his colleagues, so may action now be urged upon the Executive Committee of the League in the very quotation Lord Rosebery made use of :-

"Miss not the occasion; by the forelock take
That subtle power of never halting time,
Lest the mere moments putting off should
make
Mischance almost as grave as crime."

Of course it is incumbent upon those who urge action to indicate the direction it should take. This I have endeavoured to do in the present chapter. I recommend a convention of Imperial Federationists to agree upon a plan to be suggested to Lord Salisbury for the consideration of an Imperial Conference. In the following chapters of this essay I shall endeavour to describe what I consider to be the plan of easiest execution. It may be said briefly to consist of the following steps:

A. Obtain an *Imperial Revenue* from a duty of 5 per cent. *ad valorem* on all foreign imports into every part of the Empire over and above all local tariffs.

B. Place this revenue in charge of an *Imperial Ministry*, separate from that of England, to defray the cost of the British navy, and to meet other Imperial outlays.

C. Let this Ministry be responsible to an *Imperial Senate*, formed by so re-constructing the House of Lords as to give representation to each division of the Empire in proportion to its contribution to the revenue.

There is abundant evidence to show that the commercial phase of Federation is uppermost in the Colonial mind. On the other hand, it may be noticed that, in the United Kingdom, the current of thought among Federationists turns mostly on the defence of the Empire, the extent to which the Colonies ought to contribute to its cost and to the improvement of inter-British telegraph and postal affairs. A third view is that of the Fair-traders, who adopt the principle of "Free-trade (as far as possible) within the Empire, and Protection against the world." Now, if these different currents of thought regarding Federation, now flowing separately, although in the same direction, could be guided into one channel

their power would be greatly augmented, and, in fact, rendered irresistible. This union may be accomplished and the triple object of uniting and defending the Empire, and encouraging its trade attained by the adoption of the above mentioned measures.

It is sometimes argued that the Colonial legislatures should be the first to formulate their wishes for closer union. Meanwhile the Colonies are waiting for action by the Mother Country. Under such circumstances there can be no progress: and how is it to be expected that a legislature can act before public opinion has been educated by the operations of the League and its branches? They must first propose a policy. Here again the branches wait on the parent League, and the latter, apparently, on the branches. Well; the League in Canada has taken action on the Commercial question without provoking action by the League in London. How long are we to play at this shifting and shirking of responsibilities?

Lessing causes the fiery Saladin to exclaim, "He who considers seeketh reasons for not daring." Schiller makes William Tell say, "He who deliberates too much will accomplish little." It is a common German saying that, "Boldly ventured is half won." In these days Germany suits its action to its words. Is it possible that the "Fatherland" is gaining what the "Motherland" is losing in manly statecraft? Certain it is that Germany would very willingly pick up anything in the shape of Colonial territory or influence that England might abandon.

There was a time, previous to the peace of Tilsit, when England was implored by the Continental powers to come to their aid against Napoleon. She refused or delayed and afterwards had to wade through blood, and spend

millions to accomplish, almost single handed, the liberation of Europe. Is her future Colonial policy to be one of which we should be able to say "Ex-

perience teaches?" or is it only to result in confirming the adage, "He that will not while he may shall not when he will?"

CHAPTER II.

Nationalities and Nations.

The most superficial observer of the political events of the last fifty years can hardly fail to have noticed that the tendency of the age is towards the formation of larger and more powerful national aggregates. What the cause of this may be is uncertain. It may result from a desire on the part of small communities to be of greater consequence in the world, or perhaps the object is to reduce the general expenses of government. But, in any case, the fact remains that national consolidation is characteristic of our times. Where the nature of the case makes it impossible to speak of the autonomy of the new combination, some one nationality, more powerful, intelligent or energetic than the others in it, usually steps to the front and exercises a preponderating influence and action; a hegemony, and by its means a national union on a broader and more liberal foundation is effected. This has

happened with Prussia in Germany and Austria among the slavonic nationalities. In the case of the British Empire this hegemony is already possessed by the United Kingdom, and only a very little exertion on her part would seem to be necessary to transform the present loose connection between herself and her colonies into a closer and more beneficent union, which, for want of a better name, those who desire it call Imperial Federation.

To denote this closer union one of its most distinguished advocates, Mr. G. R. Parkin, who recently visited Australasia as a representative of the League, made much use of the expression "national unity." This is, of course, to be regarded as equivalent to Imperial Federation, or perhaps as indicating the end to which the latter is only a means. The expression is also a most appropriate one for distinguishing that broader national union, such as feder-

ationists aim at, from so-called Nationalism, which in reality is only sectionalism or provincialism. It is very necessary in studying this whole subject to draw a very distinct line between that school of politicians which sees political salvation in the establishment of numberless independent or semi-independent nationalities, in centrifugal secession or separation, and that other more modern and more reasonable way of thinking which discerns better prospects of political permanence, material improvement and national advancement in what may be called political centripetalism, or the combining of nationalities, into great nations. The latter would seem to be the true direction of political progress, just as in cosmical evolution, nebulae condense to stars, and these again arrange themselves in constellations or solar systems. It is, however, in history, not in astronomy, that we find such a record of the past experience of nationalities and nations as will guide us in shaping the future of our own country. The further we go back in history the greater do we find the efforts of nationalism to have been in the cause of liberty, and the more futile the struggles of the nationality. In more recent times the nationalities, or nationettes as they have been called in a Canadian newspaper, have to a very great extent given place to nations, much to the advantage of civilization and political progress.

It is unnecessary to go back to the first French revolution. The successes and the catastrophes of that epoch culminated at last in the fall of Napoleon, and the collapse of the kingdoms he had created. The patriotic achievements of the nations who rose up against him, the stupendous sacrifices of England, and the heroism of Water-

loo did not save the continent of Europe from afterwards becoming afflicted with all the diseases and meannesses which attend upon government by petty potentates. Nationality insurrections were fruitless, and even the revolutions of 1848 produced no lasting beneficial results. But the disasters of that time seem to have taught the lesson of a more excellent way, and since then, the building up of nations rather than the dethronement of kings has been striven for by the friends of freedom and enlightened progress. That this tendency to resist national disintegration, and to favor the consolidation of the nationalities has been at work during the last fifty years will be evident from a reference to certain events in Switzerland, Italy, the United States, Canada and Germany.

Insurrectionary movements were not always, in past history, the work of socialists and republicans, nor were these always directed against monarchical government. Switzerland affords an instance of this. In 1817 the Forest Cantons rose in rebellion against that republic, and endeavoured to separate themselves from it. Luzerne, Schwyz, Uri, Unterwalden, Zug, Freiburg and Wallis formed themselves into a separate union called the "Sonderbund" to resist the action of the liberal cantons which controlled the federal government. The latter had decreed the subjection of the Church to the State, the abolition of the convents and was determined to expel the Jesuits from the country. When the "Sonderbund" was formed the government called upon it to dissolve. The demand was refused and armed resistance continued, but after their troops were defeated, and Freiburg and Luzerne taken, the rebel cantons were forced to submit, and the Ultramontanists to

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give up their pretensions. They were obliged to pay the cost of the war, to submit to changes in the cantonal constitutions, and to expel the Jesuits from their borders. The federal constitution was likewise modified and strengthened and the republic consolidated. In 1848 Switzerland ceased to be a collection of sovereign cantons, and became a peaceable and prosperous nation. This seems to be the first instance in history of the triumph of the spirit of national unity. The right of a republican community to secede from a federal Union was effectively denied and the rebelling nation-ettes forced to remain united with their sister cantons as a nation.

Nowhere was the nationalistic spirit in former times so strong as in Italy. Again and again had the aspirations of Naples and Sicily for separate national or legislative existence been powerful enough to ruin the cause of Italian liberty. But the year 1836 saw the beginning of a new policy and the first efforts towards a higher aim than nationetteism. At the Congress of Paris, Cavour laid before the great powers the demands of the Italians for national existence, and declared that, until these were satisfied, a permanent European peace could not be established. Austria then had possession of Lombardy and Venetia, French troops occupied Rome while Naples and Sicily were in the hands of the successor of King Bomba and the Camarilla. Italy included numerous nationalities, but Neapolitans and Florentines, Romans and Venetians were alike tired of their petty princes and reactionary governments, and looked upon the title of Italian as higher and prouder than any they had previously borne. Sardinia seemed to them like an oasis in the desert. Its King, Victor Emmanuel, cared more for the greatness of Italy

than that of his own kingdom. He protected the exiled Italian patriots, broke completely with Ultramontan-ism, and squarely opposed Austria's policy and interests. Sardinia had only five millions inhabitants, but the whole moral power of Italy was at its back. With the assistance of France it acquired Lombardy in 1859, and so strong was the devotion of the Italians to national unity that they ignored the provisions of the Peace of Zurich, according to which the Italian states were to form a confederacy under the presidency of the Pope. They were as hostile to a new federation as to their little kingdoms and dukedoms, and the result proved their sagacity. In 1860 Tuscany, Modena and Parma joined themselves to Sardinia; Garibaldi next made a present of Naples and Sicily to Victor Emmanuel, the small potentates vanished and province after province was annexed. In 1861 Victor Emmanuel became King of Italy, and at last, in 1871, took possession of the capital, Rome. Thus, by suppressing the spirit of provincialism, the Italians established their national unity, an object which the previous struggles of the nationalities for centuries had failed to accomplish.

The theory of State Rights, which was upheld by the democratic party in the United States up to the time of the civil war, may be regarded as another instance of the occurrence of a nationalistic spirit in a republic, detrimental to its best interests and even dangerous to its existence. According to this theory the United States was made up of a number of sovereign common-wealths, each capable of exercising all legislative and executive powers except those expressly delegated to the federal government, and each possessing the right to separate from it at pleasure.

These pretensions, combined with other reactionary influences were the cause of the attempt that was made to wreck the Republic in 1861, when the slave states formed themselves into a separate Confederation or "Sonderbund," after the manner of the Swiss Forest Cantons in 1817. Almost all the inhabitants of the Southern States, comprising one-fourth part of the total population of the country, became rebels, and carried on a four years' war, during which a half a million lives were sacrificed. But the people of the United States knew the value of national unity, and exerted themselves to the utmost to preserve it. In the end the Union was maintained, the sovereign states deprived of their sovereignty, the doctrine of state rights destroyed, the nation preserved and the laws of the federal government made supreme.

The lesson thus taught, and the whole experience of the United States regarding state rights, were not without their influence on Canadian statesmen, at the time of Confederation which took place in 1867, shortly after the close of the American civil war. In the British North American Act the matters subject to provincial legislation are distinctly stated, as is also the principle that the Dominion Parliament is supreme, and charged with the control of all subjects not delegated to the provinces. It is perhaps to be regretted that Confederation did not effect a closer union of the Lower Provinces, and avoid the establishment of separate governments and legislatures for Nova Scotia, New Brunswick and Prince Edward Island. This and the payment to them and the other provinces of large subsidies by the Dominion render any reduction of its customs duties next to impossible.

Notwithstanding this, Confederation on the whole has been a decided success,

and in a very marked degree conducive to national unity. This was especially seen in the suppression of the Riel Rebellion. Entirely of their own motion, and without the aid of British troops, the Canadians restored order in the northwest, and preserved the unity of their own Dominion and that of the Empire. After such action the possibility of successful secession on the part of any of the provinces is very remote indeed.

Perhaps the most brilliant instance of the tendency to national consolidation in our age is furnished by the German Empire. Details are unnecessary. The jealousies and hostilities of the German nationalities have given place to the unity of the German nation. Bavarians, Prussians, Saxons, Hanoverians and Hessians no longer vaunt their respective countries. All cry out with Arndt, "The whole of Germany it shall be," and declare in the strains of one of the noblest of war songs, "Thou, Rhine! shall remain as German as our hearts."

Is there in all this no encouragement for those who desire the permanent unity of the Empire? Is the desire for consolidation less powerful in British hearts than under a German Empire or an American Republic? We throw not. Besides we must remember that, as a point of fact, we now possess union to a certain extent and that our efforts are only required towards making the union more practical and fruitful for defence and for mutual encouragement and support in peace or war. In effecting this there is no necessity for requiring that any of the nations constituting the British Empire should sacrifice any of its peculiar characteristics or institutions. Neither do Imperial Federationists desire anything of this sort. In fact noninterference with local

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rights is one of the principles, already quoted, of the Imperial Federation League, and its journal has all along maintained that the arrangement of the local legislative and executive machinery of each part of the Empire concerns that part alone. It has declined to express any opinion on the Irish question, that being a subject which exclusively concerns the people of the United Kingdom. Similarly it holds that Australasian Union is a matter with which Imperial Federationists, as such, have nothing to do, and there is not the slightest danger that in effecting the Federation of the Empire any change would be suggested as regards the institutions of any Canadian province, or of any appendage of the Empire in any other part of the world. Imperial Federation does not seek and could not accomplish the national obliteration of any of the races of the Empire. The Canadians, Australians, Africans, West Indians and East Indians would, each of them, still have their separate national existence, which Federation would tend far more to preserve than to destroy.

What then would be the nature of the Union which Imperial Federationists aim at? How would it be characterised? If a closer Imperial Union be brought about, it will and must be something altogether different from any sort of "federation" which has existed in the past. With Canada already confederated, and other groups of British Colonies inclined to forsake the nebulous condition, their closer union with the other parts of the Empire would form a most brilliant constellation in the political heavens, or perhaps a new solar system, as Sir John Macdonald suggests; a central power with auxilliary nations; a confederation of federations without a parallel in the

past history of the world. Still, for such a Union the term "federation" does not appear suitable, and probably no name will ever be found better than the present one of "Empire." If we cared to search far enough back in history we might doubtless disinter "The Holy Roman Empire of German Nations," as the nearest approach to our contemplated union of British countries.

But a name of this sort might not commend itself to English ears, and our Canadian traditions speak strongly in favor of a "United Empire." Most likely the majority of the communities now living under the Union Jack, would be contented to be known as forming part of "The United British Empire," or of the "United Empire of British Nations."

As an instance within the Empire of the outbreak of that nationalistic tendency which has been stigmatised in this paper as antagonistic to the development of a large and liberal national life, Queensland may be mentioned. This youngest British colony has recently acquired some notoriety. In its review of the occurrences in 1888, which concerned the Colonies, the *Times* gave the following as part of the record: "Queensland has declined to ratify the Naval Defence Bill, which has been adopted by the other Australian governments, as well as by the Imperial Parliament, and has since compelled the withdrawal of Sir Henry Blake, whose appointment as governor had been announced, and in whose place Sir Henry Norman has been nominated."

While indebted to the Mother Country for the security of its coasts and shipping, Queensland aims at depriving her of almost the only right remaining to the Crown in a British Colony, the appointment of the

Governor. Not only so but it is said to be governed by men pledged to affect its separation from the Empire, a project which would diminish the latter by about one-thirteenth part of its area, and about one-thousandth part of its population. One Queensland newspaper urges the discussion of the question in order that "the more friendly and easy may be the separation when it comes," and another, according to Sir Charles Dilke, has described the view of the present premier as being that the British Cabinet and the Colonial Office are a pack of old women, and the Mother Country "a composite grandmotherly old wreck . . . tottering with a handbag and a cotton umbrella towards an open grave."

Truly the assurance and waywardness of this scantily-populated fragment of the Empire is immense. It seems resolved to repudiate the solemn vows made by loyal sponsors for it at its baptism, refuses to be confirmed and wishes to follow after strange gods. It appears ambitious to become the South Carolina of the Empire, to use tall words, eat fire, and inaugurate a rebellion, at least on paper. Just as there were in the United States men who proclaimed the right of each State to secede, so there have been Englishmen particularly anxious to tell the colonies that they might go when they pleased. The result has been to promote the growth of pernicious ideas in certain colonial communities. In the United States such doctrines were resisted and stamped out by a sanguinary war. They were regarded as destructive of the existence of a nation which the United States claimed to be. Can they be permitted to spread without danger to the existence of our Empire? The secession resisted successfully by demo-

cratic America, can surely be suppressed with greater consistency and equal effect by monarchical England, or by nations of Greater Britain.

There is really no other ground for reasonable Britons to take in this matter than that expressed by Sir Julius Vogel:—"I do not believe it would be open to any great colony to leave the Mother Country, any more than it is open to Ireland to do so." Grant the right of secession, and interminable troubles arise, leading to complications and wars far more disastrous than could possibly follow from maintaining the Unity of the Empire now and at all hazards. But are we to permit the seed of disintegration to be sown, and events to drift until civil war ensues; until the balky horses become unmanageable, and we have to undertake the task of whipping a colony back into the traces? This is what the United States had to do, but can we not learn from such recent history? Is there not statesmanship left in England to steer clear of such a catastrophe?

"As a man soweth that shall he also reap." The text applies equally well to nations. Forty years ago England in arranging her fiscal affairs, did so in a manner utterly regardless of the commercial interests of her colonies, and has ever since, in matters of trade, treated them like alien communities. Is it surprising that some of them should now feel and act as such? No, indeed; the wonder is that the loyal sentiment in the colonies should have such wonderful vitality, when the indifference of many of the ruling statesmen in the Mother Country is considered. Far worse results were predicted by the historian Alison who says:—"Such distant dependencies, forming a vast Empire with the ocean for its in-

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"terior line of communication, and
 "held together by the strong bond of
 "mutual interest, may, if ruled by
 "wisdom and directed by foresight,
 "long bid defiance to the open or covert
 "hostility of foreign powers. Divided
 "by the neglect or irritated by the sel-
 "fish legislation of the parent State,
 "deprived of the strong bond of mu-
 "tual interest arising from protected
 "industry, cast adrift upon the world,
 "and exposed to the competition of
 "foreign countries, the Empire of which
 "they form a part will speedily fall to
 "pieces, because the ruling power at
 "home, to gratify separate interests in
 "the dominant island, has neglected
 "the mission appointed for it by Pro-
 "vidence, and ceased to benefit the
 "human race."

The momentous questions of to-day
 are these: How can, "the ruling power
 at home," repair the damage which
 British Unity has sustained, and induce

such colonies as Queensland willingly
 to remain part of the Empire, and bear
 its share of the burden of defending
 it? Can this burden be placed on the
 shoulders of the colonies in such a
 manner as to encourage them to bear
 it?

It is useless in the case of a disaffect-
 ed colony to appeal to sentiment alone.
 A plan must be brought forward which
 will, at the same time, recommend it-
 self to the interest of the whole Empire.
 Such a measure has been suggested and
 will have full consideration in this
 essay. Meanwhile it is encouraging to
 observe some evidence of a return to
 reason on the part of the statesmen of
 Queensland. Its representatives at the
 Federation Conference, in Australia
 held in February last, were quite care-
 ful and moderate in their language, and
 strongly approved of the proposed
 Australasian Federation under the
 British Crown.

CHAPTER III.

A Retrospect and its Lesson.

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Before considering how the consolida-
 tion of the Empire can be effected most
 easily, it would seem advantageous to
 take a look backward at the progress
 of the idea, and to do so from a Cana-
 dian point of view. Thus regarded, we
 soon become aware of the fact that
 our movement is not of yesterday, and
 that there has been retrogression in it
 as well as advancement. Indeed its

history is not a very attractive subject;
 but if we digest its bitter lessons, they
 may show us the dangers through
 which we have passed and strengthen
 us when the time for action arrives.

About two centuries ago, Great Bri-
 tain and her Colonies on the Atlantic
 Coast began to find that the business of
 settling the country was a very pre-
 carious one. Raids and requisitions by

the Indians of the west, and the French of the north, entirely dissipated any prospect of profit, or even of peaceable possession. An unsatisfactory state of affairs continued until, by the capture of Quebec and the conquest of Canada, the Mother Country was able to secure the thirteen Colonies against attack, and make them a country worth living in. Scarcely was this done, however, when these same Colonies revolted and set up in business for themselves, after undutifully appropriating the premises and stock which had cost Great Britain so much blood and treasure. This action was not followed by any offer to pay for the business they had taken possession of. On the contrary, they went to greater lengths, and turned out of the establishment those employees who had been faithful to the old firm, and who did not approve of the summary methods which the junior partners had adopted, in getting the Atlantic business into their own hands. The people thus expelled were the United Empire Loyalists, who, as stated by Robert Grant Haliburton, "had for more than eight years fought through a weary civil war, and had risked their lives, their all, for the English Crown. In 1783, when the treaty was signed no amnesty was secured for them, and more than fifty thousand scapegoats of British diplomacy, men, women and children, were driven into the wilderness" of the north and the northwest. Their story fills us with grief, pity, and a righteous indignation. But their struggles for a United Empire and their faith in its ultimate establishment shine through the mist of the past century, to guide us onwards in the path which they were the first to tread. It is true that this faith of the United Empire Loyalists did not bear immedi-

ate fruit. Indeed, so barren was it of results that it has since been spoken of as their dream. In course of time a generation of statesmen rose up who, we must charitably suppose, never heard of their story or their dream. At least it was left entirely out of consideration in England's dealings with her Colonies, and when the time came for granting them responsible government.

Equally oblivious were English statesmen of the interests of a United Empire in some of the treaties made regarding our boundaries. To this day the Ashburton Treaty is by every Canadian regarded as a proof of English indifference. Her statesmen of that time seem to have thought, although they did not say, what Louis XV, said, but did not think, when he signed away Canada: "It's only a few acres of snow." Looking at a map of North America, there is to be perceived what looks like a big bite out of Canadian territory at the place where lies the State of Maine. When that was ceded to our neighbours, we not only lost "a few acres of snow," but that old bite cost us a few millions of pounds extra in building the Intercolonial Railway away round to the north of it. The State of Michigan was another bite taken out of us, and it was especially hard to lose its northern peninsula, between Lakes Michigan and Superior, one of the richest mineral regions in the world. That concession cost us a few more millions in carrying the Canadian Pacific Railway round the north shore of Lake Superior. Later on, the Oregon territory was yielded up to our enterprising cousins, and the same railway was in consequence obliged to cross the Selkirk range, instead of following the natural route down the Columbia River. All these concessions were made by Eng-

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land in order to please the United States, and for the purpose of securing peace with them. Can it be said that the Americans have made as many sacrifices for the same object?

Nor did Canadian commercial interests fare any better than boundary questions. There was a time in the history of Great Britain when practice and experience were regarded as the true foundation for theory in every department of industry and statecraft. But about the year 1840, a tendency was developed on the part of some of our statesmen to work in the opposite direction. Turning the inductive method upside down, they determined to make facts square with their theories. They assumed that certain principles of trade which they regarded as unassailable, would produce certain beneficial results everywhere, and under all circumstances. And so the policy of free imports was adopted, which was the cause of much commercial embarrassment in Canada, carried distress even into her backwoods, and, to a large extent, provoked the annexation movement of 1849.

It would be out of place here to discuss the merits of Protection and Free Trade. Federationists may properly take the position that each section of the Empire is free to adopt the principles of the one system or the other, as they may think fit. But it is surely matter for regret that the Free Trade agitators of forty years ago were so head strong as to give to the Colonies scant consideration, and so unpatriotic as to anticipate with satisfaction a dismemberment of the Empire. Cobden himself said: "The Colonial system, 'with all its dazzling appeals to the passions of the people, can never be got rid of except by the indirect process of Free Trade, which will grad-

ually and imperceptibly loosen the 'bonds which unite our Colonies to us 'by a mistaken notion of self-interest." The apostle of Free Trade visited Egypt, Greece, France, Italy, Austria, Prussia, and twice he crossed the ocean to the United States in order to impregnate these countries with Free Trade doctrines, but he never visited a British colony, or made any proposal for improving the commercial relations between them and the Mother Country. Even as late as 1865, Cobden wrote: "I cannot see what substantial interest 'the British people have in the connection to compensate them for guaranteeing three or four millions of North 'Americans living in Canada against 'another community of Americans 'living in their neighbourhood. To 'defend these Colonies is a task beyond our power. We have recognised their right to control their own 'fate, even to the point of asserting 'their independence whenever they 'think fit, and which we know to be 'only a question of time." Cobden died two months later. How melancholy to reflect that this should have been the theme of the last utterances of a man of such genius and power! After Cobden's death some of his followers continued to argue in favor of the dismemberment of the Empire. They did not seem to perceive that this was equivalent to national suicide. Canada was especially the object of the sneers and disfavour of the Manchester school, while the United States, although carrying to far greater extremes the practical application of the protective principles which these political economists condemned, was looked upon as the pattern nation. Yet, while the latter, on more than one occasion, displayed feelings distinctly hostile to England, faithful Canada

was able to say, at each sacrifice of her territory or interests by the Mother Country, "yea, though she slay me, yet will I trust in her." Indifference on the part of our English Government to the welfare of the Colonies under ordinary circumstances appears sufficiently inexplicable, but, in the case of Canada, and considering the proximity of the United States, it amounts to something like "veiled treason." Here was Canada, for a series of years, exposed to the temptation of surrendering her position in the British Empire, and of changing her allegiance for apparent material advantage, while those who plotted to absorb her, and even winked at an invasion of her territory, were received with favour and confidence by the only power to which Canada could look for sympathy and aid.

The American leanings of English statesmen were well displayed in the negotiations connected with the Treaty of Washington when the claims of Canada for compensation for the Fenian raid losses were set aside. This indifference to a United Empire policy reached such a state about eighteen years ago, that the Hon. Joseph Howe expressed himself in this way:—"Of late new doctrines have been expounded in the Mother Country. The disorganisation of the Empire has been openly promulgated in leading and influential organs of public sentiment and opinion. Our brethren within the narrow seas have been counselled to adopt a narrow policy; to call home their legions, and leave the outlying provinces without a show of sympathy or protection. One Cabinet Minister tells us that British America cannot be defended, and another that he hopes to see the day when the whole continent of America will

"peacefully repose and prosper under Republican institutions. I do not desire to anticipate the full and ample discussion which Parliament will give to England's recent diplomatic efforts to buy her own peace at the sacrifice of our interests, or of that comedy of errors into which she has blundered; but this I may say, that the time is rapidly approaching when Canadians and Englishmen must have a clear and distinct understanding as to the hopes and obligations of the future." No apology is necessary for this lengthy quotation, which correctly represented the feelings and fears at that time of many besides the veteran statesman of Nova Scotia, who has long since passed to his rest. When he gave utterance to those words the prospect must indeed have seemed dark to a United Empire Loyalist. One of them, Haliburton already quoted, bitterly says regarding the views of English statesmen of that period: "A panacea has been suggested which has the double merit of being an effectual remedy and a good speculation. The nation is advised to cut its throat to save itself the cost of living," and he compares a nation that could follow such advice to the man "who was so mean that he cut off one of his feet to save himself in shoe-leather."

The Germans say, "when the need is greatest then the help is nearest," and very soon after this time we have evidence of a reaction. But, in truth, the great heart of England never seriously thought of dismembering the Empire, and her weak-kneed statesmen found they had reckoned without their host, that they had made a huge mistake in even hinting at such a thing. Howe spoke in 1872; shortly afterwards the tide began to turn, and our own

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Premier, when reviewing the situation in 1875, was able to make this statement: "We have got the pledge of the 'Mother Country—and, as I said before, that pledge has never been broken—that the whole power of the 'Empire will be exerted in our defence 'if occasion should require.'" This same speech contained the germ of the present movement, although at that time the term Federation had not been invented for it. Let us hear what the same veteran statesman, our "old parliamentary hand" said about the consolidation of the Empire fifteen years ago: "As to the future of 'Canada, I have long held very decided opinions, and these lead me to believe that England will be the central power, with auxiliary nations, the 'Colonies in alliance with her; 'when we would have less of dependence and more of an alliance; we 'would all be united under the same 'Sovereign, and all owe allegiance to 'the same Crown; all inspired by the 'British spirit, and bound together by 'an alliance offensive and defensive." This may not mean Imperial Federation, but it is possible to claim it as foretelling the consolidation of the Empire before the end of the present century. Not long afterwards Sir John Macdonald proposed his "National Policy," and regained power on the strength of it. He threw aside the advice of the Manchester School who "persistently entreat mankind to regulate their commercial affairs on 'the assumption that the entire race 'of man is but a band of brothers," and adopted M. Thiers principle: "among the most sacred rights is that 'of the labour of a country to its own 'markets." Even at this time the idea of a closer union had its advocates and found expression, as the following ex-

tract from the *Montreal Gazette* of 1st March, 1879, will shew:—

To the Right Hon. Sir John A. Macdonald, K.C.B., &c., &c., at the opening of Parliament, February, 1879:—

As ne'er before with power and honour crowned,
Thou enterest our legis'lative halls;
Though dangers thicken, discontents abound,
Yet confident to thee the nation calls
Welcome, Premier! The Crown and people's
choice,

To each of them be loyal and sincere,
As to God's providence; their blended voice,
The voice of British law do thou revere.

Bind us still closer to that dear old land
The nurse of nations; mistress of the world
Make our defence her own; make us to stand
In her defence where'er the flag's unfurld.
Quench not the smoking flax of patriot zeal
That smoulders 'mongst our gallant volunteers,
But nurse, encourage it; rifle and steel
May prove of service in a few short years.

Protect our mines and forests; our broad lands
Let hardy settlers freely sow and reap;
Unite our Provinces with iron bands,
Our lakes and streams with channel's broad and
deep.

For all such blessings we will toil and pay
A willing tribute on our dearest needs,
For rich and poor alike do bless the day,
When trade revives and enterprise succeeds.

Defend our labours first! the aliens foil!
Measure for measure mete them; fearless wield
The righteous power; let even Britain's soil
Be foreign while our homes and hearths you
shield,

Still; to the mother fain her sons would bring
The fairest fruits their labours can attain;
Oh! may she yet regard the offering
As worthier, better than all foreign gain.

To patriotic view all o'er the earth
A prospect marvellous and wide expands
Dear to religion and to human worth
The closer union of all British lands,
Further such aims thou leader great and bold,
So shall thy fame o'er these same lands be
spread,

Thy work to generations still be told
When thou art numbered with the glorious
dead.

Six years afterwards the Canadian militia shewed in the North-west the

value of "rifle and steel" for the unity of the Dominion, and a better work still was done a year later when the Canadian Pacific Railway was completed, and with it the "iron bands" which bind the provinces together. This was, moreover, as great a deed as had ever before been wrought for the Unity of the Empire, and deserved to be commemorated, as was attempted in the following lines which appeared in the *Ottawa Citizen* of 13th October, 1886:—

To Sir John Macdonald on his return from British Columbia, September, 1886.

From out the youthful West, radiant with hope,
Where smooth Pacific laves Vancouver's shores,
Where giant timber clothes the mighty slope,
Where tunnel, bridge and rail unlock the doofs
Of jealous mountain passes, thou didst come;
On iron wings from out the setting sun
Bringing thy sheaves; while each Canadian
home
Echoed the cry, "Welcome! Premier! well
done!"

Beneath the snowy Selkirks winds the road,
And pass the source of many a Hudson stream,
Across the fertile belt, the new abode
Of future millions of our countrymen.
Its engine strikes Superior's cliffs with awe,
Awakes the echoes of the Laurentides,
Salutes the tower crowned height of Ottawa,
And on the margin of St. Lawrence glides.

Now East and West are one; thy faith sublime
Remov'd the mountains; bound with strongest
steel

Our provinces, west, centra', maritime;
And fix'd for centuries our country's weal.
The ancient East is now the modern West;
Far colonies come nearer England's shore,
And Canada shall henceforth be confessed
The Keystone of the Arch of British power,

Huge was the task; strong were our country's
foes,

Who sought thy lofty purposes to thwart;
Livy, foul slander, ev'n rebellion rose
To discompose thy patriotic heart.
The greatest conquerors cannot subdue,
With all their powers, the spite of meaner souls;
Well hast thou done thy part; so shall we too
When next doth rage the battle of the polls.

The shadows lengthen of thy busy life;
But think not that thy warfare yet is o'er;
Leave us not yet unguided in the strife;
One task remains worthy of a l thy power,
Unite the Empire! make it stand compact
Shoulder to shoulder, let its members feel
The touch of British brotherhood and act
As one vast nation, strong and true as steel.

If, in attempting the Federation of the Empire, English statesman would handle that business as vigorously as ours did the construction of the Canadian Pacific Railway, it might be possible to complete the work five years earlier, and give Sir John Macdonald and Lord Salisbury, and even Mr. Gladstone, an opportunity, while yet in the flesh, of beholding another stupendous task completed in the interest of the whole Empire and of Christian civilization.

Nine years after the delivery of Sir John Macdonald's consolidation speech, the Imperial Federation League was organized under its first chairman, the Right Hon. W. E. Forster, who died 17 months later, on the 5th April, 1886. One of his latest utterances, what might be called his "Swan Song" and very different indeed from Cobden's, was his article on "Imperial Federation" which appeared in the *Nineteenth Century*. In view of the progress which has since been made, many of his words are prophetic. For instance he asked, "Is it impossible for Lord Derby to write to the Queen's representative at Ottawa, and Sydney, and Victoria, and Adelaide and Brisbane, and Auckland, and Hobart Town, somewhat to this effect:—'The necessity for re-casting the defences of the Empire is urgent. Her Majesty's Ministers wish to take counsel with your Government on the steps to be taken. Ask your Ministers to empower their agents in London, or, if

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"they prefer it, to send some special
"representative, to confer with me and
"with the representatives of the other
"self-governing Colonies. Your Minis-
"ters will not be committed to any course
"recommended by such conference
"until they have been informed there-
"of and approve"? Two years after-
wards Forster's suggestion was follow-
ed by the Government which succeed-
ed to power. The Secretary of State
for the Colonies issued the invitation
on the 25th of November, 1886, and on
the 4th of April, 1887, two years
after Forster's death, the Colonial
Conference actually met. That such a
result was attained within three years
after the formation of the Imperial
Federation League speaks volumes as
to the great influence of that society.

The proceedings of the Colonial Con-
ference of 1887 have been published,
but have not yet received anything like
the attention they deserve. That the
greatest importance was attached to its
deliberations by the statesmen of the
Empire is evident from their expres-
sions of approval. The prophecy of
Lord Salisbury has often been quoted.
He said: "We all feel the gravity and
"importance of this occasion. The
"decisions of this Conference may not
"be, for the moment, of vital import-
"ance; the business may seem prosaic
"and may not issue in any great results
"at the moment. But we are all sensi-
"ble that this meeting is the beginning
"of a state of things which is to have
"great results in the future. It will
"be the parent of a long progeniture,
"and distant councils of the Empire
"may, in some far off time, look back
"to the meeting in this room as the
"root from which all their greatness
"and all their beneficence sprang."
Lord Knutsford spoke as follows:—
"Many plans have been devised,

"many suggestions made for fitting
"memorials of Her Majesty's Jubilee
"Year; *quot homines, tot sententiæ*.
"In this country we have heard of an
"Imperial Institute, a Church Home,
"hospitals, free libraries, and so forth.
"But I assert, without fear of contra-
"diction, that the assembling together
"in this country of leading Colonial
"statesmen and representatives of
"Greater Britain to discuss matters of
"Imperial interest affecting alike the
"Mother Country and the Colonies, is
"greatest of all memorials." The same
statesman declared at the close of the
proceedings that he looked "hopefully
"forward to future conferences" and
Sir Samuel Griffiths, the oldest actual
Minister present, said, "I think we
"may look forward to seeing this sort
"of informal Council of the Empire
"developed until it becomes a legisla-
"tive body—at any rate, a consultative
"body, and some day, perhaps a legisla-
"tive body, under conditions which we
"cannot now foresee, and that indeed,
"meetings such as this will before long
"be recognised as part of the general
"governing machinery of the Empire."
It is impossible to read such words and
study the proceedings of this confer-
ence without feeling and exultingly
declaring that with it and its develop-
ment the "dream" of the old United
Empire Loyalists is in full course of
realisation.

Whatever may have been the case in
the past, it is certainly impossible now
to say that Colonial affairs, at least, so
far as regards territorial questions and
Imperial defence—are not receiving
sufficient attention from the Home
Government. At the same time it can
be maintained that the commercial in-
terests of the whole Empire are not
now obtaining that amount of con-
sideration which almost every other

civilised nation in these days feels bound to bestow on such matters. And what is the lesson which our past experience, as above related, teaches us regarding them? Surely this—that the commercial policy which has brought the Empire to the verge of dismemberment and which, there is too much reason to believe, was devised for this

very purpose, can no longer be excused, and, that our present plan of treating the inhabitants of the different parts of the Empire, in matters of trade, as if they were aliens, and placing them exactly on the same footing as foreigners should be abandoned at the earliest possible moment.

CHAPTER IV.

The Colonial Conference.

The study of the proceedings of the first Council of the Empire is exceedingly profitable to those who desire to understand the nature and defects of the present relations betwixt the Mother Country and her Colonies, and who are anxious to see a closer and more serviceable union substituted. In the speeches of the various delegates the disadvantages under which the several parts of the Empire labour at present, and the objects which it is considered desirable to accomplish for the common weal are plainly set forth, while the obstacles which present themselves have been as plainly recognised.

The subjects which were at first officially proposed for the consideration of the conference by the Home Government were the organization of syste-

matic defence and the improvement of postal and telegraphic communication. Political Federation was expressly excluded, but the door was left open for the introduction of any other important question which, in the general opinion of the Colonial Governments, might properly and usefully be brought under consideration. In accordance with this latter supposition, the Colonial Secretary wrote to the Colonial representatives under date the 19th March, 1887, as follows:—"I shall be obliged "by your communicating to me in "writing the subjects which you have "been instructed by your Government, "and which it may be in your opinion "desirable to bring forward." The representatives of Queensland, Victoria, Cape Colony, South Australia and

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Natal found themselves able to comply with this request, and a number of additional subjects were suggested and afterwards discussed. In this way the deliberations of the Conference spread over a very wide range, and it was even found possible to introduce gentlemen representing the West Indies, and to discuss and condemn the foreign sugar bounties. Leaving out of consideration those which interest only one particular colony, and those of a legal character, the matters which came before the Conference for consideration may be classed under the following divisions:—Naval and military defence; postal and telegraphic communication; inter-british trade relations; Imperial annexation; the census throughout the Empire; preservation of life at sea. To refer at length to all these subjects in the course of the present chapter is an impossibility, but there are points of special importance to which attention ought to be directed.

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The chief subject discussed by the Conference, upon which positive action was reached, was that of increasing the naval force for the protection of the floating trade in Australasian waters. An agreement betwixt the United Kingdom and the Australasian Colonies was arrived at, subject to ratification by their respective parliaments, according to which five fast cruisers and two torpedo gun boats were to be built by the Imperial Government and placed within the limits of the Australasian station. For this defence the Colonies of New South Wales, Tasmania, South Australia, New Zealand, Victoria, Queensland, and West Australia were to pay to the Imperial Government, interest at five per cent. on the first and prime cost of these vessels, such payment not to exceed £35,000.

"The Colonies are in addition to bear
"the actual charges for maintaining
"from year to year three fast cruisers
"and one torpedo gun boat, which are
"to be kept in commission in time of
"peace, and also of the three other
"vessels which are to remain in re-
"serve, provided always that the claim
"made by the Imperial Government
"under this head does not exceed the
"annual payment of £91,000." Al-
though the Parliament of Queensland refused to ratify this agreement, there is no doubt that its terms will ultimately be carried into effect. The discussions at the conference regarding it are most interesting, and abound with evidence that a most generous and considerate spirit actuated all the representatives. The fact that this assessment of £126,000 annually was levied upon the Australasian Colonies, and agreed to by their delegates, without any reference to the relative wealth, population, shipping or trade of the contracting parties, is a proof of the readiness of the Australians to do their duty in the matter of naval defence. Mr. Service, of Victoria, called attention to the fact that no basis had been laid down upon which the contribution should be made, and his contention, that the arrangement proposed by the Imperial Government was destitute of any fundamental principle, was not seriously controverted. The most that can be said for it is that it seems to be roughly based upon population. The population of the Australasian Colonies amounts to about 1·3 per cent. of the whole population of the Empire, and the sum they have agreed to contribute is about one per cent. of the total British navy estimates, of which the whole Empire has the benefit. It seems unfortunate that this contribution should have as-

sumed the form of a subsidy, and that it should have been fixed without reference to the relative magnitude of the trade, wealth or population of the other Colonies or the Mother Country. But after all, the arrangement is only temporary, and in carrying it out, experience will be gained regarding its merits as a plan for obtaining contributions from the Colonies.

It is much to the credit of the Australians that they agreed to this contribution so readily, because they might have taken the position that, according to the present understanding between Great Britain and her Colonies, naval defence is exclusively the business of the Imperial Government. The statement of Sir Alexander Campbell is especially explicit upon this point. He said:—"The Imperial Government had previously given us notice of their intention to withdraw from the Colony Her Majesty's troops, and they declared their resolution to carry that out. The Government here (i.e. in London) agreed to undertake the naval defence of Canada, the Canadian authorities undertaking the land defence of the Colony. Upon that basis the confederation of all the Provinces was formed, viz.:—That Her Majesty's troops were to be withdrawn (the withdrawal was then in course of being carried out), and that the local authorities were only to undertake the land defence." Other delegates spoke to the same effect, and all of them seemed to accept unreservedly the principle that land defence should be undertaken and paid for by the Colonies. A great amount of information as to what each of them had done in this respect was laid before the conference and led to expressions of much gratification from its members.

Sir Alexander Campbell spoke for Canada, and described its military efforts and resources. He also claimed that the construction of the Canadian Pacific Railway was a very solid contribution to Imperial defence. "By means of that railway," said he, "and by means of the Intercolonial Railway, we have extended the possible communication from London to the extreme North-West on the Pacific Ocean, and reduced the time occupied in traversing that distance to a period of a fortnight. So that now Her Majesty's Government could send reinforcements of men and material to Esquimalt in 12 or 14 days from this place (London). To construct a railway that can put such a power in the hands of Her Majesty's Government is undoubtedly a great contribution to the defence of the country. Few things can be more valuable to the defence of a country than the power of ready communication." The readiness with which this claim was admitted by the English representatives was one of the most remarkable and gratifying features of the conference. Mr. Stanhope, the Secretary of State for War, said, "I confess that I entirely agree with Sir Alexander Campbell in saying that it is not possible to exaggerate the advantage from a military point of view which the Empire has gained by the construction of the Canadian Pacific Railway." A similar and wider acknowledgement was made by Lord Knutsford in his letter of 23rd July, 1887, to the Governors of Colonies transmitting the Colonial Conference report. He writes thus:—"Summary statements, forming a valuable and interesting record of the progress of all the self-governing Colonies in matters relating to defence, were laid

"before the conference, and will be confidentially communicated to the Colonial Governments; but it is not desirable to include them among the published papers. These statements are extremely gratifying to Her Majesty's Government, as showing the energy, ability and self-sacrifice with which the Colonies have contributed their share towards the general defence of the Empire. Thus, dealing with *personnel* only, it appears that in the Dominion of Canada the available force of active militia, together with the permanent corps, amounts to nearly 35,000 men; in the Australasian Colonies the total armed strength is no less than 34,000; and in the Cape and Natal there are trained forces of 5,500 and 1,500 men respectively. There is, moreover, in each case a large reserve which can be drawn upon in case of need."

But between the naval armaments and the defence of shipping on the high seas by the Imperial Government on the one hand, and the military establishments of the Mother Country and the Colonies for land defence on the other, there are to be found defensive works of an amphibious character, the nature and cost of which gave rise to very interesting discussions. These are the first-class coaling stations which are being established and fortified "for the purpose of maintaining communication with the distant dependencies of the Empire, and protecting the floating trade in the event of war." Mr. Stanhope gave a description of the extent of the work of this nature which the Imperial Government proposed to undertake. Besides the Imperial fortress of Malta, Gibraltar, Halifax and Bermuda it has to maintain and

arm coaling stations and forts at Sierra Leone, St. Helena, Simons Bay (at the Cape of Good Hope), Trincomalee, Jamaica and Port Castries (in the island of Santa Lucia). At other very important points the Home Government has supplied or proposes to supply the most modern and very expensive guns and other armaments, leaving the cost of the works to be defrayed by the Colony or dependency interested. This is the case with Table Bay, Mauritius, Aden, Colombo, Singapore, Hong Kong and possibly also with Esquimaux. It must not, however, be forgotten that a very great deal has been accomplished by several of the Colonies, altogether apart from their military organizations. The defences, for instance, of Sydney, Newcastle and Melbourne, which are coaling stations as well as harbours, have been built, their armaments supplied and their forts manned wholly at Colonial expense.

If all this be well considered it will not awaken surprise that the various Australian representatives were disinclined to respond to the proposal of the Imperial authorities that their Governments should bear the cost of fortifying and defending the coaling stations at King George's Sound and Thursday Island, excluding only the cost of an armament which the Australian representatives did not regard as sufficiently modern and effective. They could not see that merely because these stations were situated upon Australian Territory, they should be differently classed from those which were being fortified almost at the sole expense of the Imperial Government. Sir Graham Berry said that "if these are the matured views of the Imperial Government, I feel quite satisfied that the Parliament, certainly of Victoria, and I believe of the other Colonies,

"would scarcely undertake the expense of works outside their own boundaries, if the Imperial Government repudiated all liability whatever towards the expenses of the fortifications of Australia. (Hear, hear). I thought it necessary to say this plainly, because it has come upon me by surprise to learn that the Imperial Government treats King George's Sound differently from other coaling stations of Imperial importance." Other delegates spoke in a similar way, and, in addition to such considerations, the absence of a proper basis upon which to proportion the contributions was again commented on. Mr. Service said, "I feel in dealing with this question as I did and as I expressed myself, in dealing with the creation of the new fleet, that there is no principle laid down upon which financial contributions should be made." He said much more to the same effect, and was followed by Sir John Downer, whose speech contains the following passage: "As to what has just fallen from Mr. Service, I must say that I substantially agree with him; we sympathise with each other; I have no doubt; further, I have no doubt, the Imperial Government sympathises with us in our small way, and we, understanding their difficulties thoroughly sympathise with them and thoroughly understand the difficulties they have to deal with in carrying out that which they may think will be the best thing for the security of the Empire generally. But after all, as Mr. Service said, the time will come when this will have to be settled upon something like a fair basis. Whatever the difficulty of the Imperial Parliament, and whatever the difficulty of the

Colonial Parliament, there cannot be that perfectly good, and proper relation of the United Kingdom to the Colonies, which we all desire, unless it is founded upon a substantial basis which must commend itself to the sense of justice of all."

In these remarks it is not possible to discover any trace of a disinclination on the part of the Australians to bear their share of the cost of Imperial naval defence, but they wish to arrive at an understanding as to what that share should be, and how the contributions towards this object from all the countries in the Empire should be apportioned. Some were of opinion that these matters are too much looked at from local points of view, to the exclusion of the Imperial aspect of the common defence of the Empire. Hints were even thrown out to the effect that these questions could only be dealt with satisfactorily, by a higher parliament than that of any of the divisions of the Empire. On this point Mr. Service said:—"We cannot find any fault with you for fending off, as it were, applications for no end of money to what is called the Imperial Parliament, because we see and feel from our own experience that the thing is absolutely necessary. But it brings into relief the fact that the Parliament sitting in London is really a local Parliament for the United Kingdom, and that it is ceasing to some extent to have have Imperial functions, which is made manifest by another fact; the fact that growing colonies like these in Australia are called upon to take their own share—in fact the heaviest share in their own local defences. seems to me to shew that the Imperial character of the Government and of the parliament in London is

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"to some extent disappearing; and I
"fancy that that is a fact which will
"have to be dealt with in the near
"future. That would, of course, point
"to some body of an Imperial chara-
"cter which could deal with questions
"of this sort, not only from a defence
"point of view, but from a finance point
"of view." These quotations will shew
that the discussion travelled over
ground situated at quite a distance
from King George's Sound and Thurs-
day Island. No decision was arrived at
regarding the defence of these points,
and Mr. Stanhope and Lord Knuts-
ford were unable to do more than
promise full consideration of the views
put forward by the Colonial representa-
tives.

The subject, next in importance to
the defence of the Empire, which was
discussed by the conference was Postal
and Telegraphic Communication, but
it cannot be said, with regard to these
that any very positive results were
reached. The scheme for an Imperial
Penny Postage did not receive much
consideration from the Colonial delega-
tes who almost all pronounced it im-
practicable. One statement after
another was made as to the amount of
loss sustained in working the present
postal arrangements of each Colony,
and from this it was argued that addi-
tional outlay would meet with disap-
proval. Mr. Henniker Heaton's state-
ments were placed before the Confer-
ence and he was invited to supplement
them by verbal explanations, but after
he withdrew they were not seriously
discussed by the delegates. Mr. Hea-
ton questioned the contention of the
Secretary of the Treasury that the
postal rates to the Colonies could not
be reduced because there was already a
loss upon that service of over £1,000
per day. He maintained that "the

"whole of this loss could be saved to
"the country, and an immense burden
"taken from the neck of our commer-
"ce, by the simple expedient of stop-
"ping the payment of the huge sub-
"sidies now received by certain steam-
"ship companies, or by shifting the
"obligation to pay the £800,000 now
"annually paid for our Foreign and
"Colonial Packet Service from the
"Post Office Department to the
"Admiralty, the latter department,
"moreover, paying only such sums as
"may fairly be claimed for the service."
A very great deal can be said for Mr.
Heaton's view. The term "Postal
subsidy" even in the Colonies is a mis-
nomer, and such grants are made quite
as much for encouraging passenger
traffic and facilitating trade as for
carrying Her Majesty's mails. Mr.
Heaton, however, did not suggest any
other account to which the Colonial
subsidies could be charged, and it was
perhaps on this account that the Col-
onial delegates shewed so little interest
in the matter. They looked at it from
their own local stand point and made
no suggestion of an Imperial method
of meeting the difficulty.

The Australian and South African
delegates very distinctly expressed
their unwillingness to join the "Uni-
versal Postal Union," and, in doing so,
lent considerable support to Mr. Hea-
ton's views regarding that combina-
tion. This is what he says about it to
the Postmaster General under date the
22nd, March, 1887:—"You say that
"owing to Great Britain and several
"of her Colonies being members of the
"Postal Union they are prevented from
"establishing a penny postage system
"among themselves. Yet this is the
"union which you have constantly
"urged the Australian Colonies to join!
"This Union which ties your hands,

"which stands in the way of reform, and which imposes upon you all manner of fettering restrictions! Surely it would be wiser to advise Australia to keep free from it, and to recover our own freedom by giving fair notice to the other powers. In my opinion, the Postal Union, so far as the Colonies and India is concerned, has proved a delusion and a snare. I find that India, Mauritius, Buenos Ayres, and twenty other places in the Postal Union are charged 100 per cent. more for postage from England than from France and Germany."

With reference to the proposed new steamship services in other parts of the Empire, and the new subsidies proposed, Lord Knutsford's summing up is as follows: "The important proposals of the Canadian Pacific Railway Company for a service of powerful steamers between Vancouver and Hong Kong, by way of Japan, was not discussed at length in the Conference, being already under the consideration of Her Majesty's Government. Attention was, however, called by the Canadian representatives to this scheme as well as to that for establishing a line of steamers from Vancouver to Australia, and it was stated that the mails could be carried to Australian and Asiatic ports in considerably less time and at less cost by those Pacific routes than at present."

Much information was furnished and many projects were mooted concerning Inter-British cable communication, and some of the members, perhaps feeling themselves free from hampering details and responsibilities, indulged in enthusiastic expressions, almost suggestive of Imperial Federation and certainly pointing towards closer union. The following is an extract from the

speech made by Sir Alexander Campbell in bringing the discussion to a close. "We consider that by taking advantage of the telegraph line from the Atlantic Ocean, at Halifax, to the Pacific Ocean, at Vancouver Island, which we Canadians have established without any help from Her Majesty's Government, or any reference to them, the Governments of the various Colonies of the Empire will be lending the most valuable assistance to that which we all have in view, and which the members of Her Majesty's Government have repeatedly expressed their desire to see brought about, as it is undoubtedly the desire alike of Her Majesty's subjects residing here in Great Britain and of Her Majesty's subjects residing all over the world—that is to say, a closer connection of the various component parts of the Empire—we think we have afforded the best means of doing this by opening the line of railway telegraph across the Continent of America. We have placed it in the power of Her Majesty's Government in Great Britain to draw closer those bonds by the most important of all ties, the ties of speedy communication, the ties of interest, and the ties which spring from opportunities of making communications from one end of Her Majesty's dominions to the other by telegraph lines almost entirely within the control of Her Majesty's subjects. These we think are the most important means which could be resorted to for drawing closer those bonds between the different parts of the Empire which we all value so much."

Sir Alexander was followed by Mr. Sandford Fleming, who explained and recommended a comprehensive scheme

by which the most of the submarine and main telegraph lines, as well as the new Pacific cable to Australia could be consolidated and brought within the management of one department under Government control. Then the following resolutions were passed unanimously by the conference:—

1. "That the connection recently formed through Canada from the Atlantic to the Pacific by railway telegraph opens a new and alternate line of Imperial communication over the high seas and through British possessions which promises to be of great value alike in naval, military, commercial and political aspects.

2. "That the connection of Canada with Australasia by direct submarine telegraph across the Pacific is a project of high importance to the Empire, and every doubt as to its practicability should without delay be set at rest by a thorough and exhaustive survey."

Several of the delegates expressed the hope that these resolutions would be followed up by action, but Lord Knutsford's conclusion does not go far towards sustaining such hopes. He writes thus to the Governors of Colonies:—"In connection with the subject of telegraphic communication, the proposal of an alternative line to Australia was prominently brought forward. The Colonial representatives were of opinion that their Governments would not, unless the Imperial Government also contributed be willing to subsidize another Company in addition to the Eastern Extension Telegraph Company; and, in behalf of the Imperial Post Office, it was stated that the question of such a subsidy could not be entertained by that department. While, therefore, I expressed my willingness to

"bring before Her Majesty's Government the wishes of the members of the conference that a line might be constructed for military purposes, to be exclusively controlled by the Government, I could not hold out any hope that such a scheme would be favorably received."

From what has been brought forward of the views of the delegates it is very plain that no important work, recognised as essential to the proper defence of the Empire, or to the advancement of British commercial interests, can be undertaken, because of the difficulty of getting the various parts of the Empire to agree as to the extent to which they are respectively interested, and as to the amounts which they should severally contribute. The financial obstacles were the most formidable, and with regard to several much desired undertakings the delegates seemed to feel the difficulty of obtaining appropriations from their respective Parliaments. Another difficulty was the absence of a satisfactory basis upon which to levy assessments from the various divisions of the Empire.

But the proceedings of the conference have made these difficulties plain, they also suggest a remedy. They contain a proposal which sooner or later is likely to be adopted as a means of establishing an independent source of revenue for Imperial purposes, and of obtaining this on a fair basis from the various communities throughout the Empire. Mr. Jan Hendrik Hofmeyr, one of the delegates of the Cape of Good Hope, has the merit of bringing forward this scheme which in the Colonial Conference report is classed under the heading of trade questions. The following extracts from Mr. Hofmeyr's

speech on the 3rd of May, 1887, will afford a clear idea of the nature of his proposal:—"The fourth of the eight subjects proposed to be brought before the Conference by the Cape delegates in their letter of 1st April, reads thus:—'To discuss the feasibility of promoting closer union between the various parts of the British Empire by means of an Imperial customs tariff, the revenue from such tariff to be devoted to the general defence of the Empire.' I find that this is not quite understood by some of the delegates, and therefore I would like to amplify it in this way:—'The feasibility of promoting a closer union between the various parts of the British Empire by means of an Imperial tariff of customs, to be levied independent of the duties payable under existing tariffs on goods entering the Empire from abroad, the revenue derived from such tariff to be devoted to the general defence of the Empire.'

"I have taken this matter in hand with two objects—To promote the union of the Empire, and at the same time to obtain revenue for purposes of general defence.

"Now, this conference has devoted a very considerable part of its time to defence, and we have done something; but I take it upon myself to say that, from an Imperial point of view, the proceedings of the conference in connection with the subject of defence cannot have been perfectly satisfactory. What have we arrived at? Simply this: that the Australian group of colonies will pay a certain amount annually towards the support of a few ships in their own waters. But what has the rest of the colonial empire done towards the maintenance of the imperial navy? Nothing at

"all. The Cape has not agreed to do anything, Canada has not agreed to do anything, and none of the other colonies have agreed to do anything, for reasons which I think are weighty, and which this conference will not overrule. At the same time it is admitted by some high naval authorities (although not perhaps by the authorities whom we have had before us) that the British fleet is not quite so strong and powerful as it ought to be, in view of the tremendous interests that it has to protect when compared with the French and German fleets, and having regard to the limited interests that they have to protect. Supposing that the Imperial Government were to find by-and-bye that it required very considerably greater assistance from the colonies towards the maintenance of the fleet and of the army than it has hitherto obtained, I doubt very much whether you would find that a system of subsidies would answer in the long run. You would in that case find very soon that the principle of representation would be asserted by the Colonies. The system of subsidies, if developed to any extent, would practically amount to a tax, and where you have a tax, the people who bear the tax sooner or later ask to be represented. In other words you might find a system of political federation brought to the fore, a system which however much we may incline in that direction, would, we must all agree, present tremendous difficulties. The system of subsidies by the colonies to the Mother Country has been tried between France and its colonies. In the French colonial law there is a clause to the effect that the colonies shall be bound to contribute certain

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"amounts to the maintenance of the
"French navy, but according to the
"latest report that I have seen there is
"not a single French colony that pays
"a subsidy to-day; in fact, the reverse
"is really the case, and the mother
"country has to pay for the defence,
"and in some cases even for the civil
"government of the colonies. There-
"fore, taking into consideration the
"necessity that the British Empire
"should have some other consolidating
"force in addition to mere sentiment;
"that it should have the force of self-
"interest; that at the same time some-
"thing more might have to be done for
"the defence of the empire than has
"been done hitherto, and that then
"the colonies would not be prepared to
"pay it in the form of subsidies, but
"might not object to some indirect
"taxation, which practically admitted
"their right to greater fiscal privileges
"within the empire than are accorded
"to foreign powers. I have, following
"the hints that I have seen in the pub-
"lic newspapers from time to time,
"formulated this subject for discussion.
"The scheme which I wish to lay before
"the conference is one which would
"promote a closer fiscal union between
"the various parts of the empire,
"which would produce a revenue for
"imperial purposes, and which would
"at the same time leave the various
"fiscal tariffs of the different parts of
"the Empire, of the colonies as well as
"of England, untouched. I will give
"some figures to show how this plan
"might work in practice. I find that
"the total imports into the United
"Kingdom from foreign countries in
"1885 amounted to £286,000,000. That
"is the last year I could get. The total
"imports into the colonies (I need not
"give the process by which I arrived
"at the figures) for 1885 would amount

"£266,000,000. The two together would
"give £352,000,000, representing the
"imports of foreign produce into the
"whole of the empire. Now, suppos-
"ing that we were to levy an average
"rate of 2 per cent. all round (the tariff
"might be arranged so that one class
"of goods should pay more than
"another), that 352 millions sterling
"would give a revenue of not less than
"£7,000,000. That is a revenue which
"would pay for a very considerable
"part of the British fleet. It would
"relieve the colonies from the pay-
"ment of subsidies, and at the same
"time that it would be paid by the
"colonies it would be paid by Great
"Britain too, of course. I do not know
"whether Great Britain would feel it
"or not, but the colonies would not
"feel it, and it would establish a feel-
"ing on their part that whilst they
"were paying for the defence of the
"empire they were at the same time
"enjoying in British markets and in-
"tercolonial markets certain advan-
"tages which foreigners did not enjoy.
"That would establish a connecting
"link between the colonies mutually
"as well as between the colonies and
"the Empire also, such as is not at pre-
"sent in existence, and which might
"further develop by-and-by into a
"most powerful bond of union."

Although it may be said that the
Colonial conference of 1887, this first
Council of the Empire, has not been
productive of very vigorous action in
favour of Imperial unity, it must at the
same time be remembered that those
who took part in it can be confidently
regarded as the sowers of the seed from
which, no doubt, and in good time, an
abundant and satisfactory harvest will
be reaped. The record of the proceed-
ings of the conference constitute a
brief, which every believer in, and

advocate of Imperial Federation must study and lay to heart if he would be instrumental in handing down to those who come after us our national heri-

tage not only preserved and unimpaired but advantageously developed and strengthened.

CHAPTER V.

An Imperial Treasury.

The proceedings of the Colonial Conference of 1887 teach us some very important things, and even the discussions which ended apparently without result shew us what it is necessary to provide in order to render the Empire secure and prosperous. They further reveal to us the understanding which exists to-day throughout the British Empire as regards its defence. Each colony, or group of colonies or dependency has to meet the expense of protecting itself, so far as the use of military force or militia is concerned, while the United Kingdom not only has its own land defence to attend to, but also the protection of the coasts of the whole Empire and of its shipping at sea. Of course this arrangement is imperfect and can only be defended as being of a transitory character. That the whole cost of the British navy and of fortifying and defending the coaling stations should fall on Great Britain seems utterly unreasonable at first sight, and until due consideration is given to the fact that no other part of the Empire has

anything to say as regards foreign affairs, or the conduct of negotiations which may lead to the outbreak or the avoidance of war. In fact the absence of any right on the part of British colonies to shape Imperial policy, seems to carry with it the absence of liability for the expense of the British fleet and the Imperial fortresses. When therefore the home Government called upon Australasia to contribute to the defence of shipping and coaling stations, it undertook to disturb existing arrangements, and ought, in all fairness, to have suggested some concession to the colonies of the South Pacific as regards the management of Imperial concerns. Moreover, the so-called Imperial Government, with the view of establishing a more orderly state of things, should have laid down some intelligible principle according to which the amount to be contributed by the Mother Country and colonies respectively could be regulated, and it should have offered, in some way or other, to keep the finances of the Empire distinct

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from those of the United Kingdom. These considerations are worthy of the attention of the Imperial Federation League in England, which has adopted as its first aim the establishment of periodical conferences, and show how necessary it is, in order to their successful working, that well matured proposals should be laid before them not only for establishing a proper basis for the contributions towards naval defence, but also looking towards the invention of a separate Exchequer and an Imperial Senate.

To anyone resident in Canada, and accustomed to the distinction which exists between Dominion and Provincial finances, it becomes a matter for wonder that an Imperial Treasury separate from that of the United Kingdom has not yet been created. The want of it must have had the effect sometimes of preventing the adoption of a vigorous and effective policy in foreign and colonial affairs. But, instead of bringing into existence a common fund for Imperial purposes, an attempt has been made to obtain contributions towards Imperial Defence and to disburse these through the medium of the English Exchequer. Perhaps a more correct view of the transaction is to regard the subsidy which the Australian colonies have agreed to pay for the increase of the squadron simply as a payment to the United Kingdom for certain services. This is not a plan which has had much success in the past, nor is it one which is likely to have a tendency towards consolidating the Empire. To pay for fleets is the first step towards owning them, and when the different divisions of the Empire come to acquire independent fleets, the unity of the Empire will not be of long duration. And even if a system of contributing by subsidy

to a purely Imperial revenue could be inaugurated, it is doubtful, for the reasons given by Mr. Hofmeyr and quoted in the preceding chapter, whether it would be permanently maintained on the part of the Colonies. Happily there is a more excellent way indicated in the proceedings of the Conference, and the proposal of Mr. Hofmeyr. Although the latter commands approval, as far as it goes, it is very evident that the revenue of £700,000 which it would provide is insufficient to meet all the expenses of an Imperial character. What these expenditures are likely to consist of may here be considered.

In the first place it has to be remarked that the several divisions of the Empire already possess and support their own military systems, and their cost does not require to be considered from an Imperial point of view. If, unfortunately, war with any foreign nation should break out, our military resources would have to be combined and utilized in a similar manner to those of the German Empire. But, in times of peace, they would be subject to the local authorities and provided for by them. It is, however, different with the British fleet. There can be only one, just as there is only one German fleet, and its cost is a burden which should be shared by all the peoples of the Empire. In June, 1886, a special number of the Imperial Federation Journal was issued entitled, "Fifty years progress," and containing a reduced copy of the Howard Vincent Map of the British Empire. This map possesses features never before heard of in geography. On it we find not only the possessions of the British people laid down, but also the limits of their marine domains. The vast aqueous surface of the globe is divided

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into naval stations in each of which "Britannia rules the Waves." In noting them it gradually dawns on the mind that the British fleet patrols the high seas like a police force, giving security not only to our own shipping but to that of all other nations as well. We cannot suppose that the latter have naval stations conterminous with ours, nor have we heard that their warships have been extensively useful in suppressing piracy or the slave trade. The shipping of all nations is a debtor to the omnipresent British Fleet. Equally indebted to it are Canadian liners and Australian coasters, but with unparalleled liberality the United Kingdom has heretofore borne the whole expense of this magnificent protectorate of the oceans. Besides the Naval estimates there are other expenditures for common purposes within the Empire which would have to be paid for out of an Imperial Revenue. Among these may be mentioned the defences and garrisons of the Imperial fortresses, harbours and coaling stations; subsidizing steamships for use in time of war; subsidizing the main lines of steam and telegraph communication connecting the various divisions of the Empire; the consular and diplomatic service, the Foreign and Colonial offices, and the cost of an Imperial Senate. And if there is any outlay more truly Imperial than another, surely it is the expense of supporting the Throne and Court of Her Most Gracious Majesty. If all these payments are to be well and properly met, the rate of duty suggested by Mr. Hofmeyr, would have to be increased from two to five per cent.

The latter is the rate suggested by the present writer in an essay on the subject, which was read before the Montreal Branch of the Imperial

Federation League in Canada, on the 21st December, 1885, and which was published in "Imperial Federation" (Vol. I p. 51.) In that paper I advocated the imposition of a duty of five per cent. on all imports from foreign countries into any part of the Empire, the proceeds to be devoted to Naval Defence; this duty to be over and above and independent of all existing tariffs, home or colonial, and at the sametime incapable of preventing any of the provinces of the Empire from modifying its ordinary local tariff at pleasure. The following statement shows the value of the imports into the Empire from foreign countries in 1885 and the amounts that would be realised from an Imperial duty upon them of five per cent. ad valorem:—

		The Imperial Revenue.
Into Great Britain and Ireland.....	£286,566,000	£14,328,300
" India, Ceylon the Straits Settlements Labuan and Mauri- tius.....	24,337,000	1,216,850
" Canada and New- foundland.....	12,736,000	636,800
" Australasia.....	6,751,000	337,550
" The West Indies, Honduras and Bri- tish Guyana.....	3,206,000	160,300
" Africa.....	1,061,000	53,050
" Gibraltar, Malta, Bermuda and the Falkland Islands..	154,000	7,700
	<hr/> £334,811,000	<hr/> £16,740,550

The Imperial Revenue of £16,740,550 per annum, thus created is no doubt a respectable sum, but not more than is required for the expenditures above mentioned. If any attempt is made to construct an Imperial budget the best way is to take these outlays as far as possible from the recent public accounts of the United Kingdom:

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	The Imperial Revenue.
36,566,000	£14,328,300
24,337,000	1,216,850
2,736,000	636,800
6,751,000	337,550
3,206,000	160,300
1,061,000	53,050
154,000	7,700
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Navy, including transport.....	£13,000,000
Defence of harbours and coaling stations.....	500,000
Foreign and Colonial offices.....	110,000
Diplomatic and Consular Service..	980,000
Imperial Senate.....	50,000
Royalty.....	100,000
Steamship subsidies.....	600,000
Submarine and Land Telegraphs..	200,000

£15 460,000

It would thus appear to be possible to provide for the payment of these large sums by imposing throughout the Empire the import duty above mentioned of five per cent. ad valorem on foreign goods.

To attempt to raise an Imperial revenue of sixteen millions sterling annually by means of direct taxation in the various divisions of the Empire would be an impossible proceeding. Even in the United Kingdom where the people are well accustomed to the imposition of direct taxes some difficulty might arise in attempting to raise a Federal revenue by such means. The English Parliament, or at least the House of Commons might very reasonably object to the collection of local rates for federal purposes. However this might be, it would certainly be impossible in Canada to raise \$3,184,000 by any such means. As was said by Sir John Macdonald, "The Dominion is practically limited to indirect taxation." Even if the proposal were made to pay this sum out of our ordinary revenue into the Imperial Treasury, it might well happen that the people of Canada would object to contributing in that manner. It would be said that we support our own militia, and have made great sacrifices in building the Canadian Pacific Railway, a truly Imperial undertaking. As for the navy, although we might be willing to pay our share for the protection of our shipping, we would decline to imitate

England's profuse generosity, and burden ourselves gratuitously with part of the expense of preserving the peace and safety of the high seas for other nations. Indeed it ought not to be forgotten that foreign nations profit from our vigilance, contribute nothing towards maintaining the peace of the high seas, and can only be made to do so indirectly by the adoption of some such plan as Mr. Hofmeyr's. Without doubt his will be found a better system than contributing by subsidy, or raising the money by direct taxation. There are classes in all communities who object to paying over hard cash for the common weal. The British workman contributes two-pence with every glass of gin he drinks, a penny with every half-ounce of tobacco he purchases, but will give nothing direct. In Canada there are also certain classes who would object very noisily to direct taxes or contributions for the common purposes of the Empire, and would probably, as in Queensland, call these the Imperial "tribute." It would be bad policy to stir up their opposition, and our recourse must be to indirect taxation, by which every class can be made to contribute to the defence of the Empire.

The objections which might be raised against his scheme have been most ably passed in review by Mr. Hofmeyr himself, and it is impossible to do better than transcribe this part of his speech. He says:—

"Now I know that there are various difficulties which may be started against this project, and I have noted some of them down.

The first is that it would be said that the proposal amounts to the levying of a differential duty, and that differential duties are bad in themselves, and therefore should not be allowed. But I

maintain that this imperial tariff of customs would be no more a differential duty as between England and its colonies than are the duties under the Australian Act authorizing the Australian colonies to grant special privileges to one another's trade; so that it cannot be condemned on this account, unless we are prepared to demand the repeal of the Australian Act. (Hear, hear.) Then again in the Cape Colony we to some extent have differential duties also. We have a differential duty in the Cape Colony, not only between our colony and another British colony, but between the Cape Colony and foreign states. We have two republics on our borders, the Transvaal and the Orange Free State; and one of our Customs Acts has a provision to this effect: That all South African produce, including produce either from the Transvaal or from the Orange Free State, with the exception of some articles, such as tobacco, spirits, sugar and coffee, shall be admitted duty free. While, for instance, all grain imported into the Cape from Australia has to pay a duty to a very considerable amount, Free State and Transvaal grain pays nothing whatever. Moreover, I believe that in India a similar practice obtains: that any imports coming overland from the northern border states, outside of India, are admitted duty free, or, at all events, not under the same tariff as those which come into India by sea.

As a second difficulty it might be advanced that the proposed imperial tariff would be an infraction of the most favored nation clause in the treaties with foreign powers. I do not know whether it would involve any greater infraction of existing treaties than the cases which I have already quoted. If the cases of the Cape Colony and Australia cannot be considered as an

infraction of these treaties, neither can the present proposal. But if it should after all amount to an infraction of existing treaties, then I should say that it may be as well that for the future England should take care that, when treaties are entered into, the most favoured nation clause is not applied against its colonies to the same extent and in the same way as if these colonies were foreign powers instead of being integral parts of the empire itself. I, moreover, find that the system of favoring colonial above foreign trade is one which is adopted by almost every other colonial power. France, adopts it, Spain adopts it, Portugal adopts it. Holland does not adopt the system herself, but she allows her colonies to levy a differential duty as against foreign goods, but not as against Dutch goods.

We may be told, thirdly, that it means protection. Well, it may come to mean protection by-and-by. If the system should be introduced, it will depend very much upon the representatives of the colonies of the empire and of the United Kingdom whether it should be extended so far as to become protective in character or not. For the present, however, I do not aim at protection. I aim at something that shall supply a cohesive force to the empire, and shall at the same time provide revenue for defensive purposes.

We may be told, fourthly, that it would revolutionize the fiscal system of England. England nowadays obtains a revenue of £20,000,000 from customs. But that revenue of 1885 was levied upon imports, amounting to only £28,900,000, whilst articles free of duty were imported to the value of not less than 342,000,000. If the plan I have sketched were to work, the bulk of the articles imported into England should be taxed, however low the tax may be.

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or else some colonies might complain that they enjoyed no reciprocal advantages under the scheme. If England were to favour some classes of imports produced by certain colonies, but not those produced by other colonies, the plan probably would not work. If, for instance, wheat, which is a Canadian and Australian staple article, did not obtain this advantage, then Canada and Australia would hardly see the use of entering into the proposed arrangement.

As a fifth difficulty, it would probably be advanced that the food of the poor man in England would be taxed. Now, a tax of two per cent. or thereabouts would not raise the price of the bread of the poor man very much, especially as the poor man would get breadstuffs duty free from all the colonies—from Canada, Australia and India; and the grain-producing power of those and various other colonies might be developed to an almost unlimited extent, so that ultimately hardly any rise in price would be observed. I have no doubt that if the laboring population of England were polled upon the subject they would not consider this an insuperable objection, especially if it were explained to them that the scheme might result in the development of a better market for their own manufactures in the colonies.

There is another objection (6) which I believe to be of a somewhat more vital character. It is this, that the tax would be one upon the raw materials required for British manufacture. But it would be a tax not on all raw materials, but only on those not coming from the colonies. The colonies might develop their producing capacity to such an extent that, after the lapse of some years, the tax would hardly be felt at

all in England. In this respect also the tax might be considered less objectionable if the English people found that the chances are that they would be indemnified for any loss they suffered by reason of a tax on raw materials by having a better market in the colonies than they have under the present system of free competition between foreign goods and their own all over the empire.

Then I have heard it said (7) that an imperial tariff would lay additional burdens upon the already over-burdened British tax-payer. I believe that it would not do so, but that, on the contrary, it would relieve the British taxpayer of some part of his burdens. The British taxpayer at present has to pay for the maintenance of the army and navy singlehanded, alone, by himself. Under my plan he would share that burden with the colonies, and he would know at the same time that whilst he contributed something under the heading of a new tax, he at the same time obtained a better market for his industry in the colonies.

Then it is attempted (8) to frighten us with the threat that foreign powers might retaliate. But how would they retaliate? They would retaliate, I suppose, by levying duties on British trade: but they do levy duties upon British trade already—(hear, hear)—they do levy protectionist duties on British trade. * * * Some colonies do levy high duties on British trade; possibly they even do it for protectionist purposes; but whether they do it or not, under my plan British trade would in the colonies have an advantage of a certain percentage over foreign trade. Supposing, however, that they did proceed to levy even higher duties than at present upon British trade, the result might, of course, be that the

consumption of British goods in foreign countries would decrease. But does not the consumption of British goods in foreign countries decrease even at present, while it has been and is increasing in the colonies? (Hear, hear.)

Another objection (9) might be this: Supposing that this plan is adopted, how are you going to work it? Is it to be a voluntary or a compulsory system? May each colony come in as it likes, or are you going to apply coercion? Of course coercion would be out of the question. But supposing that some of the colonies refused to come in and that other colonies did come in, is England going to levy a differential tariff as against the recalcitrant ones, that is, against some of its own colonies? Is it going to give some of the colonies in the United Kingdom the benefit of a differential fiscal tariff, while from other colonies that benefit is to be withheld? This, I believe, is one of the most serious objections that might be raised. But most of the difficulties in the way of great movements are overcome as you go along, and the possibility is that if the plan should work, and that if the colonies should find that there is really a very great advantage and benefit to be derived under the scheme, even the last one would come in, and there would be none left outside.

Then if all these difficulties are overcome you would require some body with legislative, and to some extent also administrative powers, a body that would fix upon the amount of the tariff, and a body that might amend the tariff from time to time, either raising it or reducing it, and which at the same time, in consultation with the British Government, might have something to say about the administration of the funds. In other words, you would have a sort of limited fiscal parliament by the side

of the British Parliament and the various colonial Parliaments. This would be a difficulty. (10.) It would be difficult, indeed, to delimit and describe the rights and powers of a fiscal parliament, as compared with the rights and powers of the Imperial Parliament and of the various colonial Parliaments. But I wish those delegates who are great advocates of imperial federation to understand that this, after all, is a much smaller difficulty than you would have to grapple with if you entered into a larger measure of imperial union or political federation. This small body which would have to be created would perhaps be the germ of an imperial federation afterwards; or, if it failed, imperial federation itself would have to be thrown overboard for good as utterly hopeless.

I have briefly gone through the most salient difficulties. I have a great deal more to say, but I do not want to detain the conference longer. My excuse for bringing this subject forward must be that, as it is a most important one, and as it has been discussed outside this conference repeatedly, it may be as well, now that the delegates from the various colonies are assembled together, that they should give some attention to it. The plan, as I have already said, may not perhaps be feasible at present; but I think that a great deal will be gained if the attention of the Imperial Government and Parliament, and of the colonial Governments and Parliaments, be directed to it. If no attention were directed to it, if it were not discussed, we should find that the difficulties standing in the way of an imperial fiscal union, instead of decreasing in number, would become greater and greater. If there are treaties standing in the way, those treaties, instead of lapsing, in course

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of time would be renewed, and other treaties would be added to them, increasing the looseness of the empire instead of promoting its solidarity. But if this matter be discussed, and if it be continually borne in mind, it stands to reason that in future treaties which may be entered into between the Imperial Government and foreign countries, the fact that the colonies are not foreign countries, but are inseparable parts of the British Empire, will be remembered, and the most favoured nation clause will not be brought to bear against England's own kith and kin. At this moment the scheme may be utopian, but even as utopian I venture to lay it before the conference. I can only regret that it has not been taken up by an abler delegate than myself, and more especially by a delegate who is a greater master of the English language than I am." (Cheers.)

It will be noticed that in this defence of his scheme Mr. Hofmeyr denies that it in any way countenances the principle of protection, and it may be well to look at this matter somewhat more closely. To levy duties on particular imports, in order to encourage particular manufacturers, would plainly be returning to Protection, a course which the British nation is not likely to adopt; but to impose a uniform rate of duty on all imports without exception for the purpose of raising revenue, and placing the foreign and the native producer on an equal footing, would be a perfectly consistent and reasonable proceeding. In order to show that such a thing has nothing in common with Protectionism, it may be well to enumerate and define the different sorts of tariffs which are now in operation among civilized nations, beginning at the protectionist extreme.

I. Protection with export bounties.

It may be argued that Protection, pure and simple, is itself a system of bounty giving. When the manufacturers of any nation have exclusive control of their home market they are able to sell, and frequently do sell the excess of their production to foreign nations at cost, or less than cost, or at lower rates than it would command at home. The extra profit they make on the home consumption is an indirect bounty. But when positive payments in money are made upon the export of certain articles, that must surely be regarded as the most extreme development Protectionism has yet reached. As the grossest infringement of their principles it ought to rouse the indignation of all consistent free-traders, and inspire them to just retaliation. Of this policy, France and Germany afford the most flagrant examples, and the United States allow to their sugar refiners such a drawback on their exports as amounts to an actual bounty.

II. Protection, pure and simple. A protective tariff is one imposed principally for favoring native industrial interests, and is not absolutely required for revenue. The best example is that of the United States, the openly expressed object of which is to benefit the capital and labour of that country. It provides a large amount of revenue, which is paying off the war debt rapidly. There is no pressing necessity for this, and were the Americans anxious to promote commerce with other nations they could easily lower their import duties. But there does not appear any hope of this and although the nation does not seem to approve the McKinley Bill, it appears to have made up its mind to retain its Protective policy. It is quite just to say that this is for the purpose and has the effect of enabling the manufact-

urer to pay his workmen higher wages. The consumer is willing to pay more for the goods he uses if thereby he can render work more plentiful among his countrymen. He simply prefers to pay his poor rates in this way; to give higher rates for labour rather than foster pauperism by distributing unearned money.

III. Incidental Protection. This system raises revenue by imposing import duties, which are so arranged as to favor native industries. It was introduced in Canada by Sir A. T. Galt, and it is possible to maintain that we are still practising the same plan. Canadians do not raise more revenue than their public works, the extension of their railways and the maintenance of their credit require. Raw materials are mostly free, and so are the provisions consumed by the labouring classes. Tea and coffee are not dutiable, because no duty, however high, could start or stimulate their cultivation in our northern climate, and because they are very generally consumed by our working men. Under our system a "free breakfast table" is more of a reality than in England. On the other hand duties are levied on textile fabrics and articles of luxury because the consumers of such can best afford to pay them, and because, in this way their manufacture within the Dominion is stimulated.

IV. Tariff for Revenue only. This I conceive to be the imposition of a uniform small rate of duty on all imports without regard to their nature. From this sort of tariff the idea of favoring native industries is excluded, and the duties are imposed simply to raise the money for paying the expenses of the Government. No materials are free, so that no industrial or commercial interest is favored beyond another. The

nearest approach to this ideal revenue tariff is that of Holland, which levies a duty of 5 per cent. ad valorem on all manufactured goods. Belgium may also be considered as enjoying a revenue tariff, although the rate of duty imposed there on most imports is nearer 10 per cent. ad valorem.

V. Free Trade. A Free Trade tariff is the most difficult to define because the phrase is a contradiction. It might be applied in a case where revenue is raised wholly by direct taxation, and trade entirely free from customs duties. But there is no such case, and, if there were, such a nation could not be considered as enjoying Free Trade. For, as it takes two individuals to make a bargain, so it takes two nations to establish true free trade. If England were, to-morrow, to sweep away the last vestige of her import duties, Free Trade would, nevertheless, be a myth, and would remain such until her goods had free access to some foreign market. In spite of this, Great Britain is now credited with being a Free Trade country, because she levies import duties only on a few articles of widespread consumption. This must stand in the absence of a better, for the best practical instance of a so-called Free Trade tariff.

VI. Export Tariff. This system must be mentioned as standing at the opposite extreme from that of Protection with export bounties. It is practised in some of the West India Islands, one of whose means of raising revenue is by duties on the productions which they export. That such should be imposed at the present day is the strongest proof of the chaotic condition of tariff questions within the bounds of the British Empire.

Among the various tariff systems here enumerated it would seem that

the one most closely resembling Mr. Hofmeyr's scheme is that defined under No. IV. This Dutch system would, by many people, be called an approach to Free Trade. But, in truth, it is neither Free Trade nor Protectionist in principle. At any rate when imposed on raw materials and manufactured goods alike, it cannot be said to partake in the slightest degree of Protectionism, and therefore it ought to be readily adopted by all shades of liberal opinion in Great Britain.

To put a duty on manufactured articles and allow raw materials and grain to enter free would really be a species of protection to some industries. Indeed to exempt any species of foreign

imports from this duty would lay it open to the charge of being imposed for the purpose of benefitting particular interests whereas it is meant to be a duty for revenue purposes only. Its imposition could not be regarded as a renunciation of free trade practice on the part of the United Kingdom any more than would be the continuation of the tea and coffee duties. The latter are required along with other taxes, for carrying on the Government of Great Britain. The Imperial ad valorem duty on imports is just as essential for meeting the expenditures of the Empire though the medium of an Imperial Treasury.

CHAPTER VI.

A British Commercial Union.

For several years past an agitation has been carried on by certain parties in Canada and the United States in favor of what is called, sometimes, "Commercial Union" and at others "Unrestricted Reciprocity." Not only so, but the Opposition in the Dominion Parliament has definitely adopted this policy. Many persons are inclined to say that this fact accounts for the present disintegrated condition of the Liberal party in Canada, but it would be a mistake to belittle the importance

or the possible consequences of the movement. One is sorely tempted to ascribe the present prominence of the project to the unreasoning zeal of its advocates, and their sublime indifference to the obstacles which must prevent its realization. It is indeed strange to find any man of literary or political eminence characterising Imperial Federation as impracticable and visionary, and at the same time fostering an agitation for tariff charges to which the Mother Country could never

consent, and of which the advantages to the Dominion disappear even on the most superficial examination.

The advocates of this new political prescription, although extremely exacting when considering anything which others have to propose for the consolidation of the Empire, are very reticent or indefinite concerning the details of their own scheme. But it seems to consist of the following proposals:—To abolish all custom houses on the frontier, and all restrictions on travel or trade between the Dominion and the States to the south of us; to increase the duties now levied on imports from Great Britain and elsewhere to the same rates as now levied on foreign imports under the United States tariff; to pay these duties into a common exchequer, and divide the product between the Canadian and United States Governments in proportion to the population of the two countries. It is a difficult matter to treat these propositions seriously. It is impossible to see how Great Britain could consider, far less consent to them. Nor would it, I believe, be possible to find a Canadian statesman with sufficient effrontery to lay such proposals before Her Majesty's Representative, and at the same time talk of maintaining British connection even of the most attenuated description.

But if we pass over these considerations and enquire as to what material advantages the new arrangement would bring to the Dominion, they seem to be very slender indeed. An increased export of coal would possibly be caused from Nova Scotia to the States of the Atlantic sea-board, and of iron ore from Ontario to Pennsylvania and Ohio. But, on the other hand, the prices of all imported articles would be increased twenty-five per cent., the markets

of the Dominion would be flooded with American goods, the capital which has recently been invested in manufacturing would be swept away, and the skilled labour of our factories and foundries would have to wander southward. With regard to our agricultural products, the change would not create for them any market which is not already fully supplied. As for the financial part of the plan, if it were worth while to enquire, it would certainly be found that the share of revenue falling to Canada would be altogether insufficient to pay the interest on her debt, and provide for the provincial subsidies. But, besides all this, which has been already fully discussed by Mr. McGoun and others, scores of questions arise as to the working details of the scheme which the Commercial Unionists have not yet deigned to notice, and which it would be unprofitable now to enumerate. A Canadian who not long ago was questioned by a banker in the States as to his views on Unrestricted Reciprocity, replied, "The scheme is ridiculous; if ever Canada should go in that direction, there can be no halfway betwixt our present condition and complete absorption into the United States." The American then remarked that that was precisely the statement made by every man of consequence in Canada whom he had consulted. Opinions precisely similar are held by many Americans. Mr. Joseph Wharton, of Philadelphia, who had in 1879, suggested a Zollverein between the United States and Canada, wrote recently in a letter to the editor of the *Nation* as follows:—"My views are not changed on that subject, except that as the practical difficulties become more apparent of agreeing upon schedules, of harmonising appraisers owing different allegiance, and of dividing

joint revenue, I have come to prefer absolute political union with Canada to any halfway measure." This quotation goes a long way towards proving that "Unrestricted Reciprocity" is utterly impracticable and that any attempt to carry it out simply prepares the way for the political obliteration of Canada. Such a scheme only requires to be mentioned to the Canadian people to be rejected. The truth is that the new movement is only a revival of former agitations for annexation or independence, and is the work of a vociferous minority of restless persons who hope for salvation for themselves and their party in reckless political change.

But the course of these agitators should have its lesson for us. Truly "fools step in where angels fear to tread." Why should we, who are labouring for Imperial Unity, be afraid to disseminate an antidote to their poison? We too are advocates of Commercial Union, but it is with the Mother Country, her Colonies and Dependencies. We maintain that Great Britain should have the preference in Colonial markets, and Colonists the preference in those of the United Kingdom. Most of us can descry higher objects than this in Imperial Federation, but there are those to whom if our movement does not mean advantage in trade it means nothing.

It is, indeed, only by preferential commercial arrangements that the British Empire can be made to present a coherent exterior. Compare the front it now shews with that possessed by other nations. When the boundaries of the German Empire or the American Republic are reached, merchants are made to feel it in a very tangible manner, and given to understand, by the tariff arrangements that true union prevails in these countries. The nations

of the British Empire are not united by any such bond. Each has been left to its own devices in this matter, and the result is a medley of free trade, revenue and protective tariffs, at which foreigners smile but of which they contrive to take advantage. "To keep foreigners from fooling us" was grand old Admiral Blake's motto in former times, but it now seems to be forgotten. The foreigner can sail round Australia finding a different tariff in every port, but none which indicates to him that he is an alien, or that the country is British. Nor can he find that the British flag has the preference over his in the East or West Indies, in Canada, South Africa, or even in England itself. When the various countries constituting the British Empire agree to favour each other in their commercial intercourse, then they will have taken the first step towards a real and closer union. The only bond between them which other nations will be able to feel and understand, in time of peace, is a tariff in which some consideration is manifested for our own farming, manufacturing and trading fellow subjects. Let us have "Commercial Union" by all means, but let it be a British Commercial Union, suited to the circumstances of the whole Empire.

British Commercial Union means, of course, union among the members of the British Empire by certain arrangements for mutual aid and intercourse which do not extend to foreign nations. It necessarily involves mutual participation in certain advantages, from which other countries are excluded. The commonest form of such a Commercial Union is that presented by the United States; by the various kingdoms and principalities constituting the German Empire; and by the different provinces which form the Dominion of

Canada. Such union provides for perfect freedom of trade between the states or provinces so bound together, with more or less restriction of intercourse as regards commerce with other countries. This restriction usually assumes the form of duties upon imports, the proceeds of which are, in many cases, required for purposes of revenue. No other plan of commercial federation has had any successful existence in the world's experience, and, therefore, when a British Commercial Union is mooted it is at once taken to mean, on the one hand, free trade betwixt the various parts of the Empire, and, on the other, a tariff of some description, discriminating against foreign nations.

But perhaps this definition of a Commercial Union may not be satisfactory to those political economists who have advocated the greatest possible freedom of trade, not only between the integral parts of the same federation, but between such aggregated communities and other nations throughout the world. Possibly the free-traders' idea of a Commercial Union is unrestricted commerce, not only between its members, but with all the world besides. If so, it is one of those unrealisable combinations that have had no existence in the past, and do not seem possible in the future. Let us suppose, for instance, the various obstacles in the shape of tariffs that are said to obstruct trade between the British possessions at the present time to be entirely removed or to be all remodelled after the English fashion, without the institution of any Imperial tariff leviable on foreign importations; would it be possible to look upon the result of such an arrangement as a "Union," in any sense, commercial or otherwise? Certainly not; at any rate, it could not be regarded as an im-

provement on the Union we at present enjoy. It seems that, no matter how the present British tariffs may be modified or improved such changes would not bring British possessions into closer union if the question of a common customs tariff, to be imposed by all of them as against foreign countries, be kept out of consideration.

Since, therefore, a British Commercial Union involves the imposition of duties on imports, it is necessary to return to the consideration of the question as to how the simplest form of it, indicated above, would answer for the whole British Empire. What would be the result, if absolute internal free trade were adopted in conjunction with an Imperial tariff? What would be the consequence, if the amount of revenue at present derived from Customs duties throughout the Empire were obtained, not by taxing British products, but by duties on foreign importations? It is in solving such problems as these that recourse must be had to Sir R. W. Rawson's "Synopsis," in which the foundations for the discussion of such questions has been well and securely laid. According to the statistics of this work, it appears that the sum of 37,180,274*l.* was raised in the year 1885, in the various parts of the Empire, by duties on imports and exports. In the same year the value of the imports from foreign countries into the Empire was, as has been already mentioned, the following:—

Great Britain and Ireland	£286,536,000
India, Ceylon, Straits Settlements, Labuan, and Mauritius.....	24,337,000
Canada and Newfoundland	12,736,000
Australasia.....	6,751,000
West Indies, Honduras—and British Guiana.....	3,206,000
Africa.....	1,061,000
Gibraltar, Malta, Bermuda and the Falkland Islands	154,000
Total.....	£334,811,000

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A simple calculation shows that it would be necessary to impose a duty of 11·1 per cent. on this amount to obtain the revenue above mentioned. All agree that revenue must be raised in the various possessions; opinions may vary as to the manner of obtaining it. If it were proposed to raise that part of it now derived from customs duties by a duty of 11·1 per cent. *ad valorem* on foreign imports, it would become necessary to ask, how much would, in this case, be collected in the various divisions of the Empire. The following statement gives the answers, and compares the amounts with the sums actually raised at present from customs duties:—

	Proceeds of an <i>ad valorem</i> duty of 11·1 per cent. on foreign im- ports.	Amount of Customs duties now raised.
Great Britain and Ireland	£31,308,826	£19,827,000
India, Ceylon, Straits Settlements, Labuan, and Mauritius.....	2,701,407	3,427,391
Canada and Newfound- land.....	1,413,696	4,130,773
Australasia.....	749,361	7,222,054
West Indies, Honduras, and British Guiana.....	355,866	949,115
Africa.....	117,771	1,475,230
Gibraltar, Malta, Ber- muda, and the Falkland Islands.....	17,004	157,711
	£37,164,021	£37,189,274

A glance at this statement shows that a change from the present system of levying Customs duties, to one of internal Free Trade, with an outward Imperial tariff of 11·1 per cent., would occasion an increase in the amount raised in Great Britain of 37 per cent., but that, in the case of the Colonies and dependencies, the following immense losses of revenue from Customs would be sustained:—

	per cent.
India, &c.....	21
Canada, &c.....	65
Australasia.....	89
West Indies, &c.....	62
Africa.....	92
Gibraltar, &c.....	89

To make up these losses by a resort to direct taxation would be a course utterly impossible for any Colonial statesman, and, in Canada, it would be one of doubtful legality. The Dominion could scarcely levy direct taxes so long as the various Provinces avoided doing so. It might be suggested that the subsidies paid to the various Provinces out of the Dominion treasury could be reduced or abolished, but this would require a revision of the British North America Act, and endanger our Confederation. On the other hand, it might be claimed that Great Britain should make up the deficiencies out of her increased revenue from Customs, but this course would no doubt be deemed as impracticable as any other.

From the foregoing it seems plain that inter-British free trade would utterly derange the finances of all the Possessions. Indeed, it might be argued that demanding it would be an interference "with the existing rights of local parliaments, as regards local affairs," and consequently a violation of federation principles. Such interference would certainly not promote the progress of the League in the Colonies. It follows that the management of the various British tariffs, however chaotic and void of principle they may appear, must be left to the authorities at present in charge of them, and any suggestions for modifying them must be made with the greatest care, and with due consideration for the financial necessities of each separate possession. In the proceedings of the Colonial Conference this has been fully recognized, and in the suggestions there made, it has been taken for granted that the duties levied for the purposes of each part of the Empire should not be interfered with. As regards an Imperial Tariff, Mr.

Service (from Victoria) expressed himself as follows :—

"I must say that whilst the question of a common tariff throughout the whole Empire has been mooted again and again, it has always seemed to me impossible, probably because I did not think it out. I knew it was impossible for the Australian Colonies, for example, or for Canada to accept the principle of commercial intercourse which exists in England. But I must confess that a remark which fell from Sir Samuel Griffiths awakened a new set of ideas in my mind; and that was, that it was not necessary that all the component parts of the Empire should have the same tariff in order to carry out this idea—that is to say, 'that if you placed a differential duty as between the Imperial products and the foreign products, it would not matter what the precise local tariff happened to be,' I never looked at the matter in that light before, but I have thought about it a good deal since, and I must say it appears to me at present that there is a good deal in that point," Sir Samuel Griffiths, from Queensland, in his letter of the 28th March last to the Secretary of State for the Colonies, wrote on the same subject as follows: "I hope that an opportunity may arise during the Conference of discussing the practicability of consolidating and maintaining the Unity of the Empire by adding to the existing bonds a definite recognition of the principle that Her Majesty's subjects, as such, have a community of material interest as distinguished from the rest of the world; and of considering how far effect may be given to this principle by the several countries forming part of Her Majesty's dominions affording to each other commercial concessions and advantages greater than those which are

granted to subjects of other States. Without for a moment suggesting any interference with the freedom of each Legislature to deal with the tariff of the country under its jurisdiction, I conceive that such freedom is not incompatible with a general recognition of the principle, that when any article is subjected to a duty on importation a higher duty should be imposed on goods coming from foreign countries than on those imported from Her Majesty's dominions." The same policy was endorsed by the general committee of the Imperial Federation League in Canada at a meeting held at Ottawa on June 20th 1887, and largely attended by members of Parliament. It was then resolved:—"That this meeting suggests for consideration Imperial Reciprocity as the trade policy most in accordance with the objects of the League, and reiterates the opinion that trade between different parts of the Empire should take place upon more favorable terms than trade with foreign nations." This resolution was reiterated at the annual general meeting of the League in Canada, held in Toronto on the 24th March, 1888. 'That the Imperial Federation League in Canada make it one of the objects of their organization to advocate a trade policy between Great Britain and her Colonies, by means of which a discrimination in the exchange of natural and manufactured products will be made in favor of one another, and against foreign nations; and that our friends in Parliament are hereby called upon to move in support of the policy of this resolution at the earliest possible moment,"

This principle has also been formulated by the Privy Council of Canada, which long ago declared "that trade should be as free as practicable between

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the various portions of the Empire, having regard solely to their own interests, and undeterred by any obligation to treat others with equal favor."

When the resolution of the League in Canada was adopted in March, 1888, most of its members were then probably unaware that neither the English nor the Canadian Parliament was at liberty to put such a policy into practice. They did not know that treaties between England and certain foreign countries were in existence, which expressly precluded preferential fiscal treatment of British goods by the Colonies and dependencies of the British Crown. A return presented to the House of Lords in June, 1888, contains precise information on the subject and has no doubt awakened in many minds astonishment and anger. The treaties with Belgium and the German Zollverein stipulate that the produce of these countries shall not be subject to any higher or other duties than the produce of the United Kingdom, and, while those treaties are in force this express provision is extended to all countries where commercial treaties with Great Britain contain a most-favoured-nation clause, and apply to British Colonies. It is useless to point out by what infatuation the Imperial Government was induced to consent to such stipulations. It is enough to know that the treaties may be put an end to after twelve months' notice, and that there is some prospect of their being abrogated. Mr. Howard Vincent, who has brought up the matter in the House of Commons several times, was able, on the 16th June, 1890, to obtain the assurance from the Government that "no doubt this important matter will be considered when new commercial treaties are about to be concluded with foreign states."

So far as the present writer is concerned he would, as an incidental protectionist, rejoice if satisfactory modifications of the existing tariffs throughout the Empire could be arranged. But it would appear to be too much to expect this, for the following reasons: 1—The interests concerned are too varied, involved and conflicting to admit of satisfactory compromise in the framing of such reciprocal tariffs. 2—Such attempts would be regarded by very many as preliminary to the establishment of a system of artificial encouragement to particular manufactures; in short, as a return to protection. 3—Even if successful, this system of Imperial reciprocity, as it has been called, would only influence local industries and benefit English or Colonial finances, but would not provide any revenue for Imperial purposes, without which a strong, united Empire is impossible. 4—Such a proposal, whether made by the Mother Country or a colony, might reasonably be characterized as more or less selfish in its nature, and intended chiefly for the material benefit of its originator. These objections do not apply to the Hofmeyr scheme, which is simple and unselfish, entirely free from protectionist bias, and capable of producing an Imperial revenue.

In truth the plan brought forward by Mr. Hofmeyr only gives more precise expression to an idea which has already gained favor in South Africa, Australia and Canada, and although its primary object is to obtain a revenue for Imperial purposes, it would have the effect also of favouring Inter-British trade. It would, in fact, establish an Imperial commercial union. The tariff arrangements of the United Kingdom, of the self-governing colonies, of India and of all the British dependencies,

would remain, as at present, subject to the various authorities who now control them, save and except that an additional duty would be levied upon all foreign goods, but not upon British productions. Not only is it the only system which could be adopted throughout the British Empire without interfering with any of the tariff systems established by either Mother Country or colonies, but it is the only practicable system which would lend uniformity to the British possessions in the eyes of foreign traders. On entering a British port they would first have to pay the Imperial duty on all their goods, and then such other duty as the local tariff called for. No other suggestion provides so readily a common fund for the purposes of the Empire. If its various colonies agree to contribute towards its defence it is surely most reasonable to insist upon their being put on a better footing than foreign nations in their intercourse with each other and with the Mother Country. This is a point which might be conceded very gracefully by England, if not for her own advantage, then out of consideration for the welfare of the Empire. The only plan by which England can hope to obtain Canada's consent to contribute substantially towards Imperial Defence, is by giving her, as well as the rest of the Empire, a preference in English markets.

Such a policy could be carried out by all the members of the Empire, without the slightest inconvenience, because it produces everything which civilization requires. Gortschakoff is reported to have said that "Russia and America are the only nations whose grand internal life is sufficient for them." What these countries would do without English markets is not very evident,

but if they are capable of standing apart in lofty isolation and independence, the same position could safely be assumed by the British Empire if her statesmen were guided by no higher considerations than are dictated by a policy of national selfishness. In one of the publications of the Imperial Federation League there occurs this passage: "The mutual trade between the possessions of the British people embraces every single article required for food, clothing, education, commerce, manufacture or agriculture, and for all the pursuits, avocations and pleasures of every class of the people; and is capable of such limitless expansion, by reason of the diversities of climates and geological conditions, as to make the British Empire—with a due commercial understanding between its local governments—absolutely independent of the productions of every other country in the world."

One great advantage of this proposal for the establishment of British Commercial union is, that it could be put in practice without waiting for the federation of the Australian or any other group of colonies, and entirely independent of the discussion or adoption of any scheme for consolidating the Empire politically. A simple application of the British Government to the Colonial authorities, or vice versa, and a second Colonial Conference to talk over the details, might readily lead to the desired result of simultaneously establishing British Commercial Union and providing an Imperial revenue. No doubt the colonies would have to be consulted as regards the disbursements for Imperial purposes, but this might take place through their agents general until, in course of time, an Imperial Senate and Ministry could be developed and organized to deliberate and act in

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such matters. It has become quite customary of late for federationists and men of high standing in England to declare that any step in this direction must first be taken by the colonies. But it is difficult to imagine that England would thus consent to give up the hegemony of the British Empire, and wait until urged to action by her colonies. It is, besides, very doubtful whether in all such cases the colonial tail would be able to wag the English dog. There seems, however, to be no good reason why the colonies should not exert themselves to advance the cause of closer union at the same time as the Mother Country. In the case of Canada the same means might be taken for inducing closer commercial union with Great Britain, which have been adopted in the case of the United States, France and Spain. At this moment there exist on our statute book standing offers to these countries to modify our import duties in return for like action on their part. Similar offers to Great Britain and other parts of the Empire would be much more in order, and are just at present more loudly called for. It would seem reasonable and dutiful if our Dominion Parliament would enact an additional section to the "Act respecting the Duties of Customs," somewhat in the following terms: "Five per cent. *ad valorem* may be levied upon all goods imported into Canada from foreign countries, if such are free of duty, and five per cent. *ad valorem*, in addition to the duties imposed by this Act, may be levied upon all dutiable foreign goods, upon proclamation by the Governor-in-Council, which may be issued whenever it appears to his satisfaction, that the

Government of the United Kingdom or of any of its colonies or dependencies has imposed or agreed to impose on all its importations from foreign countries, whether previously free or dutiable, an additional duty of five per cent. *ad valorem*, over and above the duties imposed upon importations from British possessions—the proceeds of such duties to form a fund for the naval defence of the Empire."

It is just possible that England would not stand unmoved if such action were taken by Canada. It is scarcely to be imagined that that old Mother Land, which, since the time she first gave birth to new communities in other quarters of the world, has shewn so well how she could spend and be spent in nursing them up to maturity, would remain deaf to the appeal of the eldest of her children. There is good reason for believing that there exists in Great Britain at present a sensitiveness to colonial wishes. Both political parties are ready to do anything in reason that the colonies want, if those wants are expressed with sufficient energy. If we want commercial union with England and the rest of the Empire, the quickest way to get it may be, not to try by solitary effort to educate the British public up to it, but to propose it. The voice of a single speaker or writer is heard but very faintly in the crowded arena at home, but the voice of Canada, speaking by her Parliament, the sound of her knocking at the gate might start an echo from Cornwall to Caithness, startle the British Islands from their present condition of indifference to the agricultural and industrial interests of the Empire, and be listened to as never before.

CHAPTER VI.

Fair Protection vs. Foul Trade.

In discussing the Hofmeyr scheme, and the defence of British commercial interests which it would indirectly occasion, it becomes necessary to consider how the proposal, which has been explained in the preceding chapters, would affect the different parts of the Empire.

If the Hofmeyer principle were adopted for raising an Imperial revenue, by far the greater part of the cost of the naval defence of the Empire, and of the institutions common to all its peoples, would still have to be provided by Great Britain and Ireland, for their foreign imports amount to about ninety per cent of those of the whole Empire. But instead of their share being raised from the income and other direct taxes, it would be levied on goods from foreign countries. At present, as is well known, customs duties are levied principally on tobacco, snuff, wines, spirits, tea, coffee, chicory, cocoa, currants, figs and raisins. On what principle other articles escape duty has never been very intelligibly explained. Why raw materials should be duty free one may comprehend, but the argument in favor of this does not apply to foreign manufactured goods. It has been ascertained that foreign silk, cotton, chemical and glass manufactures; woollens, carpets and rugs; clocks, watches, gloves, hats and bonnets; copper, iron, steel, lead and zinc manufactures; machinery, leather,

paper, sugar, oils, oilcakes, etc., etc., to the value of eighty millions of pounds sterling are annually imported into the United Kingdom. A duty of five per cent. on this would produce four millions annually, an amount almost as much as is raised from the duty on tea. It is hard to adduce reasons in favor of taxing tea which would not apply equally well to silks, watches, paper, sugar and musical instruments. It can certainly be shewn that England would suffer no disadvantage from having customs duties levied on these, in place of having a corresponding amount of revenue raised by duties on imports from British Colonies or by direct taxation. The proposed duty of five per cent. might be stigmatised as an attempt to raise the prices of grain for the benefit of the English farmer. That it would have this effect is very doubtful. The food supplying capabilities of Canada, India and Australia are so enormous that the only effect of the duty would be to give to the foodstuffs of British Possessions a preference over those of Russia and the United States, without raising their prices. But even assuming that the prices of wheat and flour would be increased by half the amount of the duty, that only means the addition of 10 $\frac{1}{2}$ d to the price of a quarter of wheat at 35s., which could not materially affect the price of bread. It might, perhaps, in some quarters be characterised as fool-

ish to tax the raw materials of England's manufactures such as raw cotton, iron ores, tallow, oils and iron pyrites. But cotton would come untaxed from India and Egypt; oils and tallow from many of our Colonies and possessions and as for iron pyrites, which used to be the foundation of all chemical manufactures, it is no longer of importance. Half of our soda is now made by means of ammonia, and the other half will soon be produced from recovered sulphur.

Raw cotton and iron ore have been instanced more especially as raw materials whose prices would be increased by this duty to such an extent as materially to affect, in foreign markets, the price of goods manufactured from them. It is assumed that the whole of the duty on American and Egyptian cotton would be paid by the importing country. This is scarcely warranted, in the face of the statement made by J. Stuart Mill (in his *Principles of Political Economy*, page 405):—"It may be laid down as a principle that "a tax on imported commodities almost always falls in part on the "foreign consumers of the commodities exchanged for them, and that "this is a mode in which a nation may "appropriate to itself, at the expense "of foreigners, a larger share than "would otherwise belong to it of the "increase in the general productive- "ness of the labour and capital of the "world which results from the inter- "change of commodities among "nations." But even granting that the importing country pays the whole of the five per cent. duty, the cost of foreign raw cotton would be increased from say 6d. to 6½d. per lb. Indian and Colonial cotton would of course remain unaffected. Suppose that the

last named qualities could be used for the manufacture of cotton cloth to the extent of 50 per cent., and that four yards of the cloth could be produced from 1 lb. cotton, it follows that the price per yard would be increased by 0·033d. or, roughly, ⅓ of a farthing, an amount too infinitesimal to have any effect on its sale in foreign countries. Similarly with iron; it is only a small proportion of foreign ore that is used in British blast furnaces, and the value of the iron or steel produced lies mainly in the labour and fuel consumed in its production, so that the increase in cost would be very trifling.

Even if it is granted, for the sake of argument, that the cost of the products of some British factories would, as in the case of cotton cloths above mentioned, be increased one per cent. it is to be remembered that this loss would be more than balanced by gains in other directions. A 5 per cent. duty on foreign imports into Great Britain would yield over fourteen million pounds, and direct taxation could be decreased to that extent. It would easily be possible for the English Government to relieve in the first place, and to an adequate degree, those industries that were found to have suffered from the Imperial revenue duty. It has been calculated that the burden of direct taxation resting upon English factories amounts to twelve and a half per cent. on the value of their products, so that, if they were relieved to the extent of five per cent., they would still be sufficiently taxed to satisfy the more moderate members of the Cobden Club. There are other means which might be employed to compensate the manufacturers of the United Kingdom in the event of their really suffering, but it is unnecessary to mention them. The

substitution of a uniform import duty in place of the usual direct exactions could only produce the most beneficial results. Of course, as Mr. Hofmeyr suggests, the Imperial tariff "might be arranged so that one class of goods "should pay more than another," and there is nothing to prevent exceptions being made in favour of certain raw materials and allowing them to come in from foreign sources duty free ; but these exceptions ought to be made with the greatest care, and not until actual experience had demonstrated their necessity.

Over against the disadvantages of this five per cent. duty to the United Kingdom, if there really should be any such, must be placed the preference which her products would obtain in her Colonies, India and other British possessions. This is no slight consideration in view of the increase in the duties levied by foreign countries on English manufactures. This, and the consequent loss of her foreign markets is one of the causes of those frequent trade depressions from which England suffers. Such a preference would also be of importance in view of the competition which English goods have to face even in British markets, from the bounty-fed and tariff-protected factories of foreign states. England does not grumble, far less threaten, when prohibitory duties close port after port against her, and the few ports still remaining open to her are mostly in her own possessions. But even in these the foreigner is most unjustly placed on an even footing with her. This injustice would be removed to a slight extent by levying the five per cent. duty on non-British goods, and foreign nations would have to pay a little for access to British markets, although far less than they charge for admission to

their own. This slight discrimination would turn the scale in favour of English trade and an improvement in it would at once be apparent. The demand for British goods and manufactures would at once be increased in Indian and Colonial markets, because goods from France, Germany and the United States would have to pay more duty than those from the Mother Country. The prospect which such a policy opens up expands and brightens on closer inspection, and fully justifies its adoption. It is a safe policy, one which could not possibly produce any bad consequences, and would cause trade depressions to disappear and worklessness to cease from among the communities of the British Isles, while uniting them, by the strongest ties, with their brother nations across the oceans.

We have seen that under the five per cent. scheme, nine-tenths of the Imperial revenue would be raised in Great Britain and Ireland. Of the remaining tenth about one-third would have to be contributed by the Dominion of Canada. Five per cent. upon her foreign imports would amount to about £600,000 or \$3,000,000 annually, but the necessity of supporting steamship and cable lines would at the same time disappear. When we consider that our neighbours to the south have to pay much higher duties, we cannot suppose that five per cent. additional on goods from the United States and the continent of Europe would be productive of much inconvenience to us. Possibly, on some articles, the ordinary rate of duty of the Dominion tariff would have to be modified. Importations from England would probably increase in quantity. Many descriptions of hardware, glass and pigments would be bought in Eng-

land instead of Germany, and raw sugars would come from the British West Indies instead of Cuba. On the other hand Canadian timber would have some advantage in the markets of England over that from Norway or Russia, and manufactured lumber now supplied by the United States and Norway could be furnished from Canada. The trade in grain, flour, farm produce, cattle, fish and petroleum with Great Britain would be stimulated, and very possibly it might be found that certain minerals now supplied by other countries would be supplied from Canada to England.

Sometimes the opponents of such a plan as Mr. Hofmeyr's are good enough to consider the matter as it would affect Canada, and tell us that Canada "in its own interest, wants a differential duty on grain, meat and other so-called raw materials." Now, it can safely be stated that no such wish has been expressed by the people or press generally, or by any of the Governments. The country is perfectly well satisfied with the power it at present possesses of regulating its own tariff, and the question of differential duties has been brought to the front principally by the advocates of Imperial Federation, and with the design of interesting Canadians in the movement. We repudiate the idea that Canadian Federationists advocate differential duties or an Imperial tariff exclusively in the interest of Canada, and maintain that these would be equally, if not far more beneficial to England and the rest of the Empire.

The proceeds of the Imperial revenue duty in India would be about £400,000, and being levied on her foreign imports, which are now mostly free, would hardly be felt. Here too, English manufacturers would be benefitted,

as compared with those from other parts of Europe, from China or the United States. With regard to Indian exports, more cotton, rice, wheat and tea would be grown, and perhaps many varieties of timber be sent to England which are now obtained from Central and South America.

As regards the West Indies, there cannot be any doubt that the extra Imperial duty of five per cent. would favourably affect the sugar plantations in Jamaica, Barbadoes, Trinidad and Demarara, and surely this advantage would not be grudged by any one to an interest which has suffered so severely from unfair competition on the part of foreign countries. Many of us, indeed, believe that duties should be levied on foreign sugars, equivalent to the amount of bounty, of which they have the benefit, and the proposed duty would tend slightly in this direction. It would also favour the trade in coffee, cocoa, mahogany and dye-woods with British Honduras, British Guiana and the West India Islands rather than with Guatemala, Mexico, Ecuador, Brazil, Venezuela and Hayti. Fruit, drugs and india rubber from the British tropics would also have the advantage.

Australasia's contribution towards Imperial defence by means of the five per cent. Imperial revenue duty would amount to £337,000 and take the place of £128,000 which she has agreed to pay for the protection of her floating trade. It cannot be imagined that Australia will make any objection to this increase, seeing that New South Wales was the first British colony to send, at its own cost and completely equipped, a contingent of troops to aid the Imperial forces, and that Victoria was the only colony that offered naval assistance to the Admiralty under the Colonial Naval Defence Act. If any induce-

ment were required it might be found in the consideration that her meats, wine, wool and copper, together with the flax, gums and peculiar timbers of New Zealand would have a preference in British and Indian ports.

In what particular manner West Africa, and other distant islands and possessions, would be affected it is not easy to say, but we have Mr. Hofmeyr's assurance that the burden would not be felt in the Cape of Good Hope. Possibly there may be found people sufficiently unjust and uncharitable to say that Mr. Hofmeyr made his proposal in the interest of South Africa, and that its contribution of £50,000 annually would be given only to obtain advantages in other quarters, but no one who reads Mr. Hofmeyr's speech will say that it savours of selfishness.

As to foreign countries, they have thrown in the faces of British political economists their advice to adopt free trade principles, and cannot complain of our imitating their policy to the limited extent of exacting some slight equivalent for permission to trade in our markets. After all, even they would derive some benefit from the proposed tax, for the British navy is the marine police force of the world and from it the commerce of all civilised rations derives unacknowledged, perhaps unsuspected, but nevertheless substantial, benefits.

The Hofmeyer principle has been before the public for its consideration ever since the meeting of the Colonial Conference, and Imperial Federationists have had it before them ever since the publication of my paper in 1886, but up to the present writing it has failed to obtain the approval of the Imperial Federation League. It is true that in December, 1890, the organ of the

League expressed itself as follows:—

"The principle of the Hofmeyr scheme "is one which thoroughly commends "itself to this journal, and we believe "we may say to the league at large," but so far approval has not been expressed in a formal resolution of the parent body. Even in the leading article from which the foregoing quotation is taken, the editor is very careful to distinguish between approval of the Hofmeyr principle, and acceptance of anything like Commercial Union. He says "We cannot too often make "clear our position that we do not regard Commercial Union as in any "way constituting a condition precedent of Imperial Federation, or even "as in any very direct way leading up "to it. We should be rather inclined "to say that it is more likely to follow "Federation than to precede it."

Sometimes an adherent of the League ventures squarely to express disapproval, and the following quotation may be given in order to show what means would, in certain quarters, be preferred to the Hofmeyr plan for raising an Imperial Revenue:—"It would "be much better for England to pay "her quota to the Imperial Exchequer "direct, as *e. g.* by income tax, or out "of the Consolidated Fund. Failing "this, the Canadian suggestion made "some time ago with regard to a tonnage rate on all shipping entering "any port throughout the Empire "would be a better plan than a tax "on raw materials. If, however, "decided to adopt the principle "of direct taxation, how would it be "agree upon a universal tax on spirits "or tobacco, and allot that to Imperial "purposes?"

It may be worth while to enquire what this would really amount to compared with the taxation proposed by

Mr. Hofmeyr. The value of foreign imports into Great Britain amounts to £280,500,000 annually, and his 2 per cent. duty thereon would yield £5,731,300. To raise an equal amount by an excise tax on spirits, from which at present nearly thirteen millions sterling are derived in Great Britain, would require that the present duties be increased about 45 per cent. With regard to tobacco, which at present produces £9,307,000, the duty upon it would have to be increased 61 per cent. in order to provide the £5,731,000 obtainable by Mr. Hofmeyr's Imperial tariff. That the non-tetotallers or smokers of the United Kingdom, who at present contribute more than one-third of the entire revenue of the country, would consent to such heavy additional taxation, even for the sake of a United Empire, does not seem likely. Besides, this way of providing a common revenue would not have the slightest effect in uniting and encouraging the commercial interests of the Empire. So far as their several markets are concerned, Englishmen, Anglo-Indians and colonists would be on the same footing as aliens, and still continue to be as foreigners to each other so far as concerned their trade interests.

The quotations from English sources which have just been given will shew that there is a certain class at home which entertains notions antagonistic to anything like drawing revenue from customs, and who want free imports, as they frequently want peace, at "any price." They admit the necessity of obtaining an Imperial Revenue from reliable sources, but the idea of incidentally benefitting British commerce is rigidly excluded from all their proposals. We are to raise the money in any or every way, provided we do not attempt to give each other any aid

or comfort in so doing. There are to be no preferences to British communities, and England especially must not think of such a thing as industrial self-protection. When Mr. Hofmeyr brought forward his scheme he was careful to explain that it did not mean protection, and in the foregoing chapters pains have been taken to elaborate this view, but it is to be feared that no human effort is capable of removing prejudice from the minds of those who have pronounced in favour of so-called Free Trade. It is probably in vain to attempt further to convince such minds that our contentions are well founded, and it may be more profitable to "carry the war into Africa," and endeavour to shew that Free Trade does not favour British unity and that England's present fiscal system is anything but helpful to the cause of Imperial defence.

It is often said that when peace prevails then is the time to prepare for war, and how can that be better done than by strengthening our capitalists, manufacturers and artisans, so that when war does come they may be the better able to stand the taxation which it involves? Why should not England adopt the newest and best means for improving her commerce as well as her army and navy? Why should she not, in times of peace, adopt the best plan for retaining, within the borders of her own territory, the brave men and skilled workmen who are so indispensable in time of war? All shades of politicians in England seem to-day to be of one mind as to the necessity of providing for Imperial defence, and no doubt it is of the greatest importance, but it would seem possible to maintain that the advantages of union and improved tactics in defending agriculture, manufactures, trade and commerce, in

a reasonable way, are just as tangible as in the case of naval and military defence. Without well considered action for favouring home industries, shortsighted nations may sometimes suffer very severely. Even England occasionally resembles an over-plucky pugilist who pits himself against an opponent clad in a mail shirt and armed with a revolver. In times of depression she sometimes suffers more than if war were actually proclaimed. She may be said to be at war in time of peace, but fighting with her hands tied, and with her fields and factories open to the inroads of every foreign enemy. For while England leaves her agriculture and manufacturing entirely defenceless, foreign nations establish on their frontiers a series of forts called customs-houses, behind which their farmers and artisans not only live and labour securely, but wage ungrateful and unequal war on British industry. And further, while England derives the sinews of war by direct levy from her own people, other countries, the United States, for instance, contrive to extort it to a large extent from English manufacturers. And still further, while the Chancellor of the Exchequer has trouble enough to provide for the interest on England's huge national debt, mainly created in fighting the battles of other nations, the United States manages to pay off the principal of their debt contracted in putting down a rebellion. How astute must that nation be which causes foreigners to pay the cost of her civil war! How magnanimous that other nation which takes money direct from the pockets of her own people to pay for foreign conflicts! Foreigners have free access to English markets, while home producers have heavy direct taxes to pay. The interest on the

enormous national debt is taken out of the pockets of the English people, while the German and the Spaniard, for the defence of whose liberties it was contracted, are not allowed to contribute one shilling in the shape of duties on the goods with which they flood the markets of Great Britain. It is well that our rulers should provide for the protection of our coasts and cities, but it is dastardly to permit the bombardment and destruction of British industries from behind the well protected trade ramparts of foreign countries, without so much as saying one diplomatic word in objection to the practice. The following quotation from an American writer expresses a similar view :—" It is clear that the patriotism which can sleep through this industrial warfare, and suffer this trade spoliation, and can only be roused into activity by the danger and passion of flagrant war; which can vote the public money to maintain rarely-used armies' navies and forts, but cannot give the slightest aid or comfort to the real and constant defenders of its country's independence—its industrial soldiers, is a patriotism belonging to periods long gone by, and is of little more present use than a bow and arrow."

Not only does England refuse to protect her own industries, but she actually encourages foreigners to make war on them. It sometimes awakens surprise that she should supply foreign nations with war ships, and lend them money that may possibly be used against herself. But that she should give aliens advantages, in her own markets, over her own citizens really surpasses comprehension. Yet that is what some people in England are now complaining of. Under her present system this is what happens :—" The

"Commission recently appointed to examine into the causes of Depression of Trade is an evidence that depression exists. Wheat growers are ruined. Hop growers are ruined. Agriculturists generally are at their wit's ends, and they see no hope in the future. Farms in good situations are without tenants. The sugar-refining industry, and the silk industry have all been ruined. Land and house property have greatly decreased in value. The number of unemployed is enormous, and the cry is for increased facilities for emigration." (British Agriculture and Industries, by Robert Boyd; Manchester, 1888). Another author, in proposing a remedy for this state of things, says:—"We ask for no prohibitive or absurd duties; we simply ask that the foreigner shall be taxed in the same proportion as ourselves." The people who demand a change do not exclaim against "free trade" because nothing of the sort is now in existence. Under real Free Trade the condition of English capital and labour would not be so deplorable. The system now prevailing is that of free imports only, the exports of the United Kingdom being taxed in foreign ports as never before. "Free imports" and "fettered exports" cannot constitute "free trade." On the contrary, they combine to form a very unfair and foolish system which has been called "unrestricted importation," by Lord Salisbury, and is in truth a species of Protection, *i.e.*, Protection to the foreigner. Mr. Boyd, one of the authors above quoted, puts the matter in the following shape:—

"Equal incidence of taxation—that is, taxing imported goods at the same rate at which similar goods are taxed if produced in the country—is not

"Protection; but the omission to impose equal incidence of taxation is Protection to the consumer and the foreign producer at the expense of the home producer, although erroneously called Free Trade."

"To represent this in figures, on the basis of $12\frac{1}{2}$ per cent. being the average of taxation in England, it will be thus:—

"50 per cent. import duty would be Protection to English industry to the extent of $37\frac{1}{2}$ per cent.

"25 per cent. import duty would be Protection to English industry to the extent of $12\frac{1}{2}$ per cent.

" $12\frac{1}{2}$ per cent. import duty would be equal incidence of taxation, and could not justly be called Protection.

"5 per cent. import duty would be Protection to the foreigner to the extent of $7\frac{1}{2}$ per cent.

"No import duty would be Protection to the foreigner to the extent of $12\frac{1}{2}$ per cent.

"The last line represents the present position of the trade of England. It also gives a view well understood already, I am afraid, by all foreigners of the perspicacity of the British nation in granting to them, free of all charge, the use of a market which costs us a hundred and fifty millions sterling a year for its maintenance."

Not content with refusing to protect her own industries, and gratuitously surrendering her markets to foreign producers, Great Britain goes further and seems to consent while the latter bribe her own people to connive at the destruction of certain industries and interests long established within the Empire. The bounties paid by France and Germany on the export of beet root sugar enable it to be sold to the consumers in England under cost, and for this bribe, say of a penny per

pound on the sugar they use, the inhabitants of the United Kingdom have looked calmly on while their own refineries were being destroyed, and the cane plantations of their Colonial fellow-subjects were going out of cultivation. Such bounties were long ago condemned by the greatest writers on political economy, but the bribe seems to have been powerful enough to stifle free trade principle. No countervailing duties have been imposed, and so far as bounty-fed sugar is concerned, the traffic in it may well be stigmatised as "Foul Trade." No fouler trade has ever been carried on since the time when the Grand Monarch bribed the Merry Monarch to undermine and destroy the liberties of England. Help was found then, not among her foremost statesmen, who were all pursuing their own selfish

aims, but in the strong will and honesty of purpose of William of Orange. And now it would seem as if help were to come, in the way it did then, from across the ocean; from those daughter nations of England who have all experienced the benefits of "Fair Protection." William put an end to the "foul trade" of two centuries ago and promptly dismissed Barillon, the French ambassador, the agent through whom it had been accomplished. Similarly, let us hope that the influence of the great Colonies and the necessity for providing an Imperial Revenue and constituting a Commercial Union within the Empire will, in the near future, put an end to that system of national bribery called "Unrestricted Importation," which has so long prevailed in the Mother Country.

CHAPTER VIII.

A Parliament of Parliaments.

When Mr. Hofmeyer made his proposal at the Colonial Conference for creating an Imperial revenue, one of the reasons he gave for preferring it to a system of subsidies was that the latter "would practically amount to a tax, and where you have a tax the people who bear the tax sooner or later ask to be represented." He was evidently of opinion that the advantage which would accrue to all parts of the Empire, from a system of discrimination in favor of British Trade, would be

sufficient compensation for their various contributions by means of the Imperial revenue duty. It is very doubtful whether this view would be accepted generally. Duties on imports, even when the latter are foreign, are taxes nevertheless, and however indirect the manner of contributing towards Imperial purposes might be, it would infallibly bring with it a demand for representation. "No taxation without representation," is a political axiom which seems at the present day to be

universally accepted.

How to provide such representation for the various peoples of the British Empire is a problem the discussion of which most people would gladly postpone, until some other preparatory step had been proposed and taken towards Imperial Federation. But it would seem impossible to delay the consideration of this subject in view of the fact that the first step must always be taxation for imperial purposes. Contributions towards the common defence or the improvement of the means of communication within the Empire, must beget a claim for representation in an Imperial Parliament. The House of Lords and the House of Commons in England are together frequently called the "Imperial Parliament," but this is probably only by courtesy. How can a parliament or a ministry be truly Imperial which is the creation exclusively of the inhabitants of the United Kingdom? It is unjust that Colonists who may have to suffer severely in time of war should have nothing to say as regards the conduct of foreign affairs, upon which the continuance of peace or the outbreak of war depends.

This consideration is one which received a good share of attention at the time the Imperial Federation League was formed in England, and the late Mr. Forster expressed himself regarding it in the following words:—"If we ask the Colonies to tax themselves for defence against possible attack from foreign powers, if we remind them that it is not just that we at home should bear more than our fair share of the cost of protecting them from invasion, we must confess that their demand for some participation in imperial foreign policy will gather strength, and therefore again we come to the conclusion

that, if the Empire is not to be broken up, there must be an organization for mutual defence, and for common control of foreign policy."

Mr. Forster also addressed himself to the discussion of the proposals which had been made for the parliamentary representation of the whole Empire, and his views should certainly be made the starting point for considering the problem of an Imperial Senate. He says (for although dead he speaketh,) "There are two proposals for parliamentary representation. (1) The admission into the House of Commons of members for the Colonies, and probably at the same time, an addition to the House of Lords of Colonial Peers. (2) The formation of a new and paramount representative assembly, which shall bear the same relation to our Parliament at home, and also to the Parliament of the Dominion and of the other Colonies, as that which Congress bears to the American State Legislatures, or the German Reichstag to the Prussian or Bavarian Landtags."

"In the one case the Colonial representatives would sit in a house which would discuss and attempt to solve, not only all imperial questions, but all those affecting the imperial government of the United Kingdom; and in the other case they would be members of an assembly which concerned itself with imperial questions only.

"Now the first of these proposals appears to me impracticable or at any rate most difficult to work. The colonial representatives might be members of the House of Commons either with or without the power of taking part in home legislation; if they possessed such power, their interference would be looked upon with jealousy: if they did not possess it, their exclusion would be both difficult and obnoxious;

and it would not be easy to draw the lines betwixt imperial and domestic questions, or to decide when the Colonial member should be debarred from voting or speaking. True, it would be possible in theory to avoid this anomalous position; the assembly representing both the United Kingdom and the Colonies might deal with the internal affairs of the Colonies as well as with those of the United Kingdom; but it will be admitted that in practice this arrangement could not work. The Colonies would not accept it for a moment, and they would be right in their refusal, for the large majority of the governing body would have neither the knowledge nor the will to attend to their affairs. In comparison with questions affecting England or Ireland or Scotland, those relating to Canada, Australia or the Cape would be neglected; the parliamentary block would be intolerable. Neither the present House of Commons, nor any possible representative assembly, with any possible division of labour would be able to add to the supervision of foreign policy, and the provision for the army and navy, not merely the multiform subjects for legislation and discussion, every day increasing in number, which affect the relations of the inhabitants of the United Kingdom to one another and to their government, but also similar questions in the colonies with all their varied interests and conditions.

"These objections would not apply to the Congress proposed. There is nothing anomalous or in itself impracticable in an Imperial Parliament with subordinate Parliaments; but, though it may be the ultimate form of federation, I think at present any attempt to establish it would be premature. This proposal would, I fear, be regard-

ed with some suspicion in the Colonies, for populous and rich and powerful as many of them already are, they are yet aware that at present and for some time to come, they would be dwarfed individually, and even if combined would be weak in comparison with England; and there is no denying that the project would be startling, and at first sight unacceptable to British public opinion. Why, it would be said, force upon us the difficulties of a paper Constitution and State Rights, and the necessity of some tribunal to decide when these rights are infringed or unduly extended?"

From this quotation it is evident that Mr. Forster looked upon a representation of the Empire in the House of Commons as an impossibility, and indeed the people of the United Kingdom did decide, when appealed to, not very long since, against Home Rule, and that the House of Commons should continue to be the Parliament of Great Britain and Ireland. To propose colonial representation in it would be as unreasonable as to give the United Kingdom representation in the Dominion Parliament. An Imperial Senate should not be subject to disruption and dissolution at the will of any local political party in England or elsewhere.

Mr. Forster further regarded the formation of an uppermost Imperial House as an undertaking of the most extreme difficulty. This is a view similar to that of Sir Charles Tupper who could not see much hope for Parliamentary Federation in our day, because it seemed to involve the creation of a Supreme Parliament over the present Houses of Lords and Commons. In a most able essay (one of those presented to the London Chamber of Commerce, and selected for publication) it

has been shown by Mr. C. V. Smith, that to create an *entirely new* Federal Parliament would involve a change of the most radical and sweeping description, and subject the English Constitution to too severe a strain. If such a new creation were indeed indispensable the difficulty would be very great, but it would be well to ask whether this is really the case. Would not the necessity for the invention of a completely new uppermost House disappear if the present House of Lords could be utilised?

The idea of representing the Colonies there has been put forward by another of the leaders of the Federation movement, Lord Rosebery, in the following words:—"As regards attentative experiment in the direction we are seeking, I may be considered to be a person of one idea on this subject; but I do believe it might seriously be considered by the House of Lords, if delegates from the Colonies might not be admitted to sit as do delegates in the Senate of the United States. Of course that would be a large change, but not so large as it at first appears. The main objection always urged is that of distance. I think that question has been conclusively dealt with by Mr. Smith," (the present leader of the House of Commons), "but I would point out an even more recent illustration. I refer to the State of California which, when a territory and at a distance of weeks from the main seat of Government, sent delegates to the Senate of the United States without the slightest difficulty. I do not believe in the difficulty of distance; and I believe a tentative experiment in the House of Lords would not interfere with the financial control of the House of Commons over the affairs of the Empire." There can be no doubt that

this idea points out the right direction in which to work for the realisation of a scheme of Imperial representation. This we are inclined to maintain, although Lord Rosebery is since reported to have said that there is a fatal objection to the introduction of Colonial representatives into the House of Lords, which is "that the colonies do not want them there." This remark may be true if applied to the Upper House as at present constituted, but it would not apply if it were, with proper deliberation, transformed into a Parliament for the Empire.

No doubt the House of Lords has "already emphatically refused the appeal made by Lord Rosebery to institute an inquiry whether its constitution as a legislative and representative body does not stand in some need of revision after the wear and tear of seven hundred years." But the House of Lords has also given frequent proofs that it knows when to yield, and it might perhaps be prevailed upon to reform itself and become a useful Imperial Institution. At the present time there seems to be a class of people in England, who, little though they realise it and little as they may desire it, are preparing the minds of the English people for such a change by their persistency in lowering the tone of the House of Commons, while disparaging the House of Lords. Why should that Upper House be gradually deprived of every sphere of usefulness? Why should it not rather become the Parliament of the British Federation?

The difficulties in the way of such a change would soon disappear, if the House of Lords would consent to reconstruct itself, provide for the abolition of hereditary membership, the election to it for life of English Peers, and the representation in it of

all parts of the Empire. This seems to be the least difficult way in which to create an Imperial Senate. It may seem absurd to make such a proposition in view of the fact that the total abolition of the House of Lords has been suggested. Still no one dreams that this can be done without their consent. The Upper House is not likely to commit political suicide and any other course would be revolutionary. To speak of abolition is therefore worse than useless, but it would not be impertinent to ask that the House of Lords should so change its constitution as to become the highest legislative body in, and be representative of the whole British Empire. Moreover the reform of the House of Lords is a subject which has of late seriously engaged public attention, and leading British statesmen have expressed themselves regarding it in such a manner as to shew that it is now within the sphere of practical politics. It has heretofore been considered mainly from an English point of view, the Upper House being of course regarded as part of the parliament of the United Kingdom. The House of Lords does not however seem to be indispensably necessary for the good government of the British Isles, and surely a legislative body of such antiquity, dignity and stability is fitted for a higher purpose than merely confirming the decisions of the English House of Commons. The "expansion of England," and the multiplication of colonial communities, owning allegiance to the British Crown are surely demonstrating the necessity of some Imperial representative body in which their various sentiments and interests might find expression and protection, and it would probably ultimately be found to be matter for regret, should a reform of the House of Lords now be

attempted and carried out without reference to Colonial requirements. It seems, therefore, proper to discuss the subject from a Colonial standpoint, and to ascertain whether the House of Lords might not, with advantage to all concerned, be so reconstructed as to become the Parliament of the British Empire.

From recent events it is plain that the House of Commons is likely to remain permanently representative of England, Scotland, Ireland and the islands adjacent. Nor is there any reason why, in matters concerning the British Isles, it should not be relieved from the necessity of having all its measures expressly sanctioned by a House of Lords. Although no such confirmation by any higher body would be necessary, the Crown would still possess the right to veto any of its measures just as it has this right at present, as well as the power to disallow Colonial legislation. By removing the consideration of Imperial affairs to an Upper House these would not escape the control of the House of Commons, because it would no doubt have the right to send a delegation to that House if transformed into the Parliament of the Empire, to express its views, and influence legislation and action as regards Imperial affairs. By this arrangement such a division of the labour of legislation would be effected as would contribute very materially to the usefulness of both Houses.

In the admirable essay of which mention has already been made, Mr. C. V. Smith is of opinion that the admission of the Colonies can best be accomplished by their incorporation into the existing English Constitution as contemplated by Adam Smith in the following quotation, "There is not the least probability that the British Con-

stitution would be hurt by the Union of Great Britain with her Colonies. That Constitution, on the contrary would be completed by it, and seems to be imperfect without it." The difficulties in the way are enumerated by Mr. Smith as (1) "the distance in point of space, and length in point of time, which have to be surmounted in the transit of persons and the transmission of intelligence from different parts of the Empire to the metropolis, and (2) the impropriety as well as impossibility of all the matters which at present engage the attention of the Parliament of Westminster, as well as the additional affairs which the change would inevitably bring under its consideration, being dealt with by a Parliament composed of representatives from all parts of the Empire. We shall find upon consideration that the first difficulty is purely chimerical, and that the second is in a fair prospect of being speedily removed by the natural development of events." Further on Mr. Smith makes light of the objection as to space and time, and tries to show that "the natural development of events" will lead to "the establishment of subordinate legislative bodies in the different parts of the United Kingdom for the administration of local affairs," and make it possible for the present House of Commons to pay more attention to Imperial affairs, and to admit representatives from other parts of the Empire. Here it is that Mr. Smith's conclusions seem quite untenable. We are disposed to maintain that the transformation of the House of Lords into an Imperial parliament is a much easier task and would produce a far better result than the reconstruction of the House of Commons and the creation of several new legislatures within the United Kingdom.

Without the latter bodies, Mr. Smith's plan would be a failure, for he comes to the same conclusion as did the late Mr. Forster with regard to Colonial representation in the House of Commons, namely that "it would be impossible to make any substantial addition either to the business or the numbers of our present House of Commons, without entirely destroying its efficiency." The constitutional arguments which Mr. Smith advances in favour of his scheme, are of course equally applicable to one which proposes a reconstruction of the House of Lords.

When we come to consider the representation of the whole British Empire, and to attempt an answer to Sir Hector Langevin's question, "Will our representation be based upon population?" it must speedily be acknowledged that the latter basis is utterly out of the question. India with its 250 millions would very effectually prevent the realisation of anything of that sort. It must also be admitted that anything like representation by counties or divisions is impossible. A much more concentrated system of representation must be employed, otherwise the Imperial Senate would be too unwieldy; and yet we must have something broader than a Federal Council, such as that of Switzerland or such as was the old German Diet. It would seem most practicable to make the Imperial Senate representative of parliaments rather than peoples; of provinces rather than countries, of governments rather than of individual electors. This is the idea which has been put forward by Mr. Jas. Stanley Little, and which has been described by Lady Florence Dixie, as the creation of "a Parliament of Parliaments." Mr. Little's proposal is that "the present Imperial Parliament, together with

every colony, whether it have or have not full representative institutions, should send from both its Houses certain delegates elected by those Houses to form an entirely new Imperial Parliament." "This scheme for the impastation of the Empire has the advantage of simplicity, and it provides for a kind of double sifting process, whereby the best and most experienced men from each portion of the Empire would be detained for the purposes of the Supreme Council of the whole nation."

Although, for reasons already given, it is not considered that an "entirely new" parliament would be possible, it seems quite practicable to apply Mr. Little's idea of representing the parliaments rather than the peoples of the Empire. In an Imperial Senate, for very good and sufficient reasons which need not be stated, the United Kingdom would require to have the weightiest voice, but such as would not drown those of the Colonies and Dependencies. On the other hand, for the latter to expect such a number of votes as would enable them to impose their will on the people of England would be highly ridiculous. The most they could demand would be such a representation as would enable each colony to bring forward and urge its views on any question in the hearing of the assembled wisdom of the Empire. Neither could they reasonably ask an influence out of all proportion to the amounts they might contribute for Imperial purposes. In fact these amounts ought to be the measure of such influence, and the joint-stock principle might very well be applied in constituting an Imperial Senate. We shall make the attempt to apply it and to reconstruct the House of Lords at the same time, although this undertaking may appear

even more rash than the framing of an Imperial Budget.

Supposing that various divisions of the Empire were to contribute towards an Imperial revenue in the shape of a certain amount of duty on their foreign trade, as has been proposed by Mr. Hofmeyer, they would probably have to be represented in proportion to about the following percentages:—

United Kingdom	85.6
India, etc	7.2
Canada	3.8
Australasia	2.0
West Indies, etc.	1.0
British Africa	0.4

100

It can be maintained that such a basis as this would be perfectly fair, and preferable to any scheme of representation according to population, wealth or extent. If these proportions were adopted in transforming the House of Lords into an Imperial Senate, and assuming that the latter were to consist of 500 members, then these would be distributed in the following manner:—

United Kingdom	428
India, etc.	36
Canada, etc.	19
Australasia	10
West Indies, etc.	5
British Africa.	2

500

The Lords Spiritual and Temporal at present number 540. Deducting the Princes and Bishops there remain 512, of whom 16 are Scotch elective and 28 Irish life peers, besides 80 Scotch and Irish lords sitting and voting under English titles. Deducting these also, there remain 379 English Peers who are

members by hereditary right, the great majority of them taking very little part in the business of the House. It surely would not be too much to ask the English Peers to allow themselves to be represented, as the Irish Peers are, by a certain number of themselves, elected by themselves for life. In this way it would be possible to make room for members from the Colonies and Dependencies, as well as from the House of Commons and the various Colonial parliaments. It would probably not be too much to provide that the latter parliamentary representatives should make up one fifth of the Imperial Senate, and that they should be nominated by the various executives in power from time to time in the different parts of the Empire, or elected by the Colonial Legislatures. In a Senate of 500 members this would leave 400 to represent the aristocracy of the United Kingdom, the native princes of India, and men who have attained distinction in the Colonies or Dependencies. In the opinion of many people it would be a great misfortune if the utter divorce of church from state were to be consummated everywhere in the British Empire, and therefore it would only be wise to retain the representatives of the Church in the Imperial Senate. The proportion of such in the present House of Lords is five per cent., but in order to provide for the representation of other religious bodies besides the Church of England, it would probably be necessary to increase this to ten per cent. There would thus remain 300 life members whose distribution according to the percentages just suggested would be as follows:—

United Kingdom.	308
India	27
Canada	13
Australasia	7
West Indies	4
British Africa	1

360

Under this scheme the number of British Life Peers entitled to sit in the new Imperial Senate would be reduced by about one-third. It might be convenient to apportion the 308 life representatives of the United Kingdom according to population, and, in this case, the English Peers would be called upon to elect 228, the Scotch 34 and the Irish 46 members. These would constitute the permanent nucleus of the Imperial Parliament, and it would seem that in such a reconstruction of the House of Lords, in order to increase its influence and usefulness to the whole Empire, the rights of its present members would not be unnecessarily or unreasonably interfered with. As regards the 36 members from India it would probably be right to leave to the Indian Government their selection from among the native Princes, or Englishmen versed in Indian affairs; the actual appointment to be by the Crown. In a similar manner it might become the duty of each Colonial Government to recommend to Her Majesty's representative men of position and character in the Colonies as Life Senators, regard being at the same time had, to the representation of the Provinces constituting a Colony. For instance those from Canada might perhaps be distributed as follows:—From Ontario, 5; Quebec, 5; Lower Provinces, 2; Northwest Territories and British Columbia, 1. It seems unnecessary further to discuss the details of the composition of the proposed Imperial Senate or indicate the manner in which the Christian Church might be represented in it. Such particulars could readily be adjusted if the main features of the scheme were approved. It will be sufficient to recapitulate here the proportions of the proposed representation:—

Life Members—

English Peers.	228
Scotch Peers.	34
Irish Peers.	46
Senators from India.	27
do Canada	13
do Australasia	7
do British Africa	1
do West Indies	4
Church representatives.	40
—	—
	400

Members holding seats during the existence of the Parliaments or Ministries appointing them :—

From—

House of Commons.	80
India.	9
Canada	6
Australasia	3
West Indies	1
British Africa	1

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100

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Total members. 500

Provision would possibly require to be made for changing the composition of this Highest Parliament, from time to time, just as variations took place in the amounts of the contributions to the Imperial Treasury. These contributions from the various Imperial Dominions would increase in amount with their population and wealth. They would also increase wherever the local customs duties on foreign imports were lowered, and the more the expenditure for local government was derived from direct taxation. Higher protective duties would tend to lessen trade with

foreign countries, and decrease the amount of revenue collected for Imperial purposes. The Colonies would thus have an inducement to adopt a free trade policy, because of the increased representation which a more extensive trade with foreign nations, and consequent increase of the Imperial contribution, would entitle them to.

By giving the Federal Senate the control of Imperial concerns, the English House of Commons, at present overburdened with work, would be able to give thorough attention to the affairs of Great Britain, and the necessity would be avoided for instituting local parliaments within the United Kingdom.

There is probably a great deal more which might with great fitness be brought forward with reference to the constitution of an Imperial Senate, but it seems unnecessary at present to follow the subject further. Enough has been said to gain for the present proposal some consideration on the part of thoughtful men, and to induce them to believe that the establishment of a truly Imperial Parliament on the lines here indicated is perfectly practicable. There is every reason for anticipating that this Parliament of Parliaments, the lineal descendant of the Witenagemote of twelve centuries ago, would in course of time, surpass the old Roman Senate, and every representative assembly which the world has yet seen, in dignity, influence, stability and power.

CHAPTER IX.

The Federal Executive; England's Hegemony.

In the preceding chapter an attempt has been made to set forth a plan of representation for the Empire, which, if carried out, would result in transforming the present English House of Lords into the highest British Parliament or Senate. Of course, this parliament, although legislating for the whole Empire, could not exercise administrative functions. Following the ordinary constitutional method of the present day an Imperial Ministry would have to be created. This creation would necessarily have to be the act of the Sovereign, who is the visible source of all authority within the Empire. It would probably involve the appointment of an Imperial first minister and the formation of a Federal ministry consisting of members of the reconstructed House of Lords. This ministry would have the direction of Imperial affairs and be entirely separate from the Cabinet of the United Kingdom. From what has already been written it is hoped that some idea has been given of what the present writer considers ought to be the sphere of Imperial legislation. Some reference now becomes necessary to the probable number and possible functions of the Imperial ministers. These would in all likelihood include a First Lord of the Imperial Treasury, a Lord High Chan-

cellor, a First Lord of the Admiralty, and the Secretaries of State for Foreign affairs, the Colonies and India.

The duties of the first three of the officials just named are, for our purposes, indicated with sufficient precision in their titles. The judicial committee of the House of Lords would, after the reconstruction of the latter, still continue to be the highest law court of the Empire. Foreign affairs being federal affairs it follows that the ambassadors and consuls would be Imperial officers. Commercial treaties would also be under the control of the foreign office in order that the interests of the colonies and India, as well as of Great Britain might be properly considered. At present certain politicians in Canada are disposed to manufacture a grievance out of the circumstance that the Dominion does not possess the treaty making power. This, as the lamented founder of the League wrote, is "making a demand which implies disunion," and the best answer to it is that such treaties should be negotiated by the highest Imperial authority, and for the whole British Empire.

Among other important duties the Secretary of State for the Colonies would have to devise means for transferring systematically the superabundant labour of English cities to the wild,

unoccupied and untilled lands of the colonies. The unemployed thousands of the United Kingdom heretofore accustomed to work in mines and factories, at furnaces and forges would have to be gradually trained to agriculture. To turn these thousands adrift in backwoods, or on prairies, or to attempt to employ them to advantage on bush farms or sheep runs, unprepared for and ignorant of the circumstances of the life before them frequently results in hardship and disappointment all round. Hitherto the colonies have been settled by people who paid their way, and were possessed of stout hearts and "willing strong right hands." At present the unemployed classes of the mother country have neither the means nor the ability to become settlers, and have not the mettle of the men who hewed farms out of our forests thirty and fifty years ago. In deed, if this country were now to be settled over again it is doubtful whether it possesses or could obtain the men and muscle that did it before. For the unemployed of the Empire, and in the interest of every part of it, a system of state aided emigration should be inaugurated. Than this no more beneficent legislation could occupy the attention of an Imperial Senate and no better field could be found for the exercise of the administrative ability of a Federal Secretary of State.

In general terms it may be supposed that the Federal Ministry would manage the Imperial finances, administer naval affairs and control colonial and Indian relations, as well as the diplomatic and consular service. The Cabinet of the United Kingdom would continue to have charge of the revenue from customs (excepting always the proceeds of the Imperial import duty), excise, income and other direct taxes, post office,

etc., and manage the English military and volunteer systems, the civil service, administration of justice, public works, education, and all affairs affecting exclusively the United Kingdom.

The same constitutional relations which now exist in all well governed states between the sovereign, the executive and the legislature would no doubt be established betwixt the the various parts of the Government of the United British Empire. The Crown would have the power of choosing or dismissing the Federal Ministers; and the latter of resigning or appealing to the constituencies in the event of their defeat in Parliament. In the case of a dissolution, however, only about one fifth of the members of the Imperial Senate would have to seek re-election at the hands of their constituencies or constituting bodies. The great majority, being life members, would return and be entitled to sit in the next parliament. This feature in the proposed constitution of the Imperial Senate will no doubt appear objectionable to many. But it must be remembered that the present House of Lords is not subject to dissolution, and that stability is a feature essentially requisite in the parliament and government of a great empire. Indeed, one of the great drawbacks of the existing system is that, owing to frequent changes of the party in power, a consistent foreign and colonial policy becomes impossible. This was observed by Cobden long ago. In writing to Combe he said: "With a change of government every six or twelve months it is impossible that we can have a continuous plan or a real responsibility. Since I have been in London I have heard scarcely a word about the best mode of governing the millions of India. The only talk is about the chance of turning out one

ministry and bringing in another." Similar remarks might with great justice be made at the present time. For instance, the government of the day in England is well disposed towards the colonies, and has done nobly in calling together the first Imperial Council, but who can be certain that these statesmen will not be suddenly replaced by others who may not care to trouble themselves about us? A defeat of the government in the House of Commons on Home Rule, on a Licence Bill, or on the Budget resolutions, would cause the removal from power of those statesmen who now so satisfactorily manage foreign affairs and those of India and other British possessions. At present the House of Commons does not do justice to these, and indeed a debate regarding them frequently finds its benches empty. It is, further, rather curious and surprising to reflect that the House of Commons while exercising its undoubted right to turn out an English Ministry when it thinks fit may at the same time carry confusion into colonial affairs. Federationists cannot rest satisfied while such a state of things exists. It should not be left in the power of the electors of the United Kingdom, when they choose to transfer their confidence from one political party to another, to produce derangement in the affairs of the colonies and the Empire, and this can only be prevented by completely separating the management of the local affairs of the United Kingdom from those of the whole Empire, and by bringing into existence an Imperial Parliament and Government inherently stable, and not liable to be influenced by local political conflicts in any part of the Empire.

In this essay reference has already been made to the Holy Roman Empire of German nations, as exemplifying to

a slight extent the nature of the closer union to be established by Imperial Federation betwixt British nations throughout the world. The example does not afford a just parallel, if only those times are considered when the German Empire suffered so much through its Roman and Italian connections and entanglements. But if we look back to the time when North and South Germany were first united under a common head, we find much to instruct and to guide us in our efforts towards Federation.

Weber, the historian, tells us that Conrad the Frank, tired of his vain efforts to control the turbulent nobles of South Germany, and unable to protect his country from the inroads of the Hungarians, sent his brother Eberhard to Henry of Saxony (the Fowler), with his royal insignia and crown, offering submission and friendship, and expressing his conviction that the future of Germany "lay with the Saxons." Eberhard carried the message, and to this day in Quedlinburg the place is shewn where the Saxon Duke received the Frankish nobles. Henry, "a man full of energy and old German simplicity," was then proclaimed as king at Fritzlar in Hesse, in 919, by the secular and ecclesiastical princes and lords there assembled. At the first he was only acknowledged by Saxony and Franconia, but next year by his bravery and wisdom he succeeded in causing the dukes of Swabia and Bavaria to become his vassals, and induced them to content themselves with the ducal dignity. Henry refused episcopal anointment, but called himself nevertheless "King, by the Grace of God." He made use of his power with great wisdom and moderation. He did not wish to establish Imperial rule by subjecting the various races,

and countries to the power of a single master and govern the whole of Germany from one central point, but "as the golden circlet of the crown unites the shining jewels and transforms them into the most glorious symbol of earthly rule," so he intended that the royal power should bind the German dominions together, without destroying the characteristic activity and life of the several peoples. His conception of governing ran thus: "Let each race stand by itself in its own affairs and rule itself according to its old rights and usages; let it be led and guided in peace and war by its duke, whom the counts and gentlemen in the country, in time of war, are bound to follow and obey. Let him in his parliament settle all disputes and feuds in the land; let the poor and oppressed find in him help and protection; let him defend the churches, preserve the public peace, and protect the frontiers against the invading enemy. But just as the dukes rule over the several races in the Empire, so the King stands above and over all of them; he is the highest judge and leader of the whole people, the final refuge of the oppressed, the highest protector of the church." It was by the application of such principles that Henry avoided the rock upon which his predecessor had vainly expended his best energy and efforts in ruling the Fatherland.

So long as Henry's successors were guided by his principles and the subordinate dukes and bishops were contented with the powers allotted them, all went well; fortune favored the Germans, and such epochs constituted golden ages in the history of the Empire. But when the just balance of power was disturbed, and, by turns, imperial, ducal or ecclesiastical authority gained the predominance, conten-

tions arose, wars prevailed, and finally, during a period of unusual violence, the Imperial ship of state was wrecked in the storm of the Thirty Years War.

The principles of federal government propounded by Henry the Fowler, although modelled on the feudal system, were based on a just and wise foundation, and have their application even in the present day. Loyalty to these, on the part of British communities, is still capable of building up happy and prosperous nations and uniting them into a powerful Empire. But, at the present moment, the principles in question do not by any means meet with general recognition in the various British Dominions. In some of them the churches are not content to place themselves under the protection of the local secular authority, but rather seek to rival and oppose it; and, further, the central power has been so lavish in conferring parliamentary powers and constitutions on the growing colonies, without exacting corresponding responsibilities, that some of the inhabitants of the various Dominions of the Empire have persuaded themselves that they are on the high road to independence. Here and there we find short-sighted minorities who do not sufficiently appreciate the advantages they enjoy, and the favors they have received from an indulgent motherland. There are shallow grumblers every where; "Canada first" men and nationalists in Canada, "natives" in Australia and Africans in South Africa, who dream of constructing independent nations out of the fragments of the British Empire. They do not seem to have considered whether independent Canada could defend itself against the United States, republican Australia against France, and the Afrikander Bond against the natives of

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the dark continent or even against petty Portugal. Even in those parts of the Empire which contain no secessionist element some rights of the sovereign authority have been invaded, and others are in danger of becoming obsolete. But nevertheless, and fortunately the "golden circlet of the crown" is still in existence to indicate the unity of the Empire, and no doubt in the past it has been most efficacious in preventing disintegration. But for it and the virtues of its August Wearer, the centrifugal forces favoured by former British Governments might have sent many a colony flying off into foreign space. Let us be thankful that there is yet time to counteract any tendency towards separation by placing at the service of the Crown an Imperial Senate and Executive, and let us pray that Her Majesty may long be spared to wear the Imperial Crown and enjoy the title approved at the Colonial Conference, "Victoria, by the Grace of God, Queen of the United Kingdom of Great Britain and Ireland and of its Colonies and Dependencies, and Empress of India."

The tendency to consider only their own interests, and to act independently of England, which has been exhibited by certain of her colonies, is a natural fruit of the commercial independence which was forced upon them at the time when the Manchester School of politicians held sway in the old country. About the time when they were thus sowing the seeds of political disintegration, German statesmen were at work building up the Zollverein, the history of whose development contains a lesson of the greatest importance to us. There are a few countries in our day better able to appreciate the blessings of unity than Germany. No nation can point to such a golden age in

its history as that of the early German Emperors, as well as that of the Holy Roman Empire under the Hohenstaufen. No nation suffered so bitterly from its fall, and from strife, disunion and dismemberment, during the Thirty Years' War as did the Germans. No people felt so keenly their feebleness, not only after the peace of Westphalia, but after that of Vienna. None strove so long, so honestly, and so moderately to be reunited. How their efforts were crowned with success is matter of recent history, as is also the prominent part which Prussia performed in the unification of the Fatherland. Indeed, without her initiative the re-establishment of the German Empire would have been impossible. This was acknowledged by the patriots of 1848, when the German Parliament offered the Imperial Crown to King Frederick William IV. But the strong will to wear the crown, and the firm hand to grasp the sceptre, were not then ready, and at last the great question was settled—"not by speeches and the resolves of the majority, but by blood and iron." Should not the inhabitants of the British Empire be wise enough by this time to profit by the teachings of history? That closer union which had to be accomplished in Germany at the cost of millions of men and money is now within our reach by the use of the simplest and most beneficent means.

Compared with what the Germans had to accomplish, the consolidation of the British Empire seems any easy task. But still, if we consider the means by which the Union of the Fatherland was accomplished, we shall learn some very useful lessons. If we inquire as to the beginnings of Prussia's great influence in German affairs we must go back to the origin of the Zoll-

verein. Previous to the year 1828 there were in Germany as many Customs boundary lines as there were limits for the independent States composing the German Bund. The first Zollverein, or Customs Union, was instituted in that year betwixt Prussia and Hesse Darmstadt, and the Government of the former country strove ever afterwards to increase its members. Hesse joined in 1831, Bavaria, Wurtemberg, Saxony, and Thuringia in 1833, Baden and Nassau in 1834, the city of Frankfurt in 1836, and gradually the Union grew until it included twenty-seven million inhabitants. The States belonging to it came to be in a sense dependent upon Prussia, whose Government strove to defend their trading and manufacturing interests. Gradually, political and national objects became common to the Zollverein until, from being merely a machine for the convenient collection and apportionment of revenue, it grew to be regarded as the symbol of German unity. The influence of this bond of union in the reconstruction of the German Empire was immense, as is evident from the fact that the great German State of Austria, which had to be excluded from it, never formed part of the Zollverein.

We thus learn two things from the experience of Germany: First, that the preponderating influence and action of one member of the Bund was necessary to effect the closer union; second, that between the institution of the first weak political tie and the substitution for it of the North German Bund, and afterwards of the German Empire, the formation of a Customs Union intervened, which had the most important influence in uniting the German people. At the same time, we must remember that, in our own case, instead of having

one member of our Empire ever intent on strengthening the connection, and caring for the commercial interests of the others, we have had, until a comparatively recent date, prominent statesmen advocating its dismemberment, and prominent economists of the Gradgrind school abolishing differential duties, and treating certain parts of the Empire as utterly foreign to it, from a commercial point of view. Happily, it is not too late to profit by experience, and to insist that an Imperial Commercial Union must be established, before the present loose tie betwixt the British possessions can be converted into a firm and lasting bond of union.

There is but one country that can take the lead in the direction indicated, and exercise a political and commercial preponderance, a hegemony, within the British Empire, namely, the United Kingdom of Great Britain and Ireland. It is surely high time for English statesmen to abandon their attitude of indifference, adopt a positive policy, and no longer allow it to be said that the first move towards closer union must come from the Colonies. Such a position is unworthy of the prestige, power and wealth of England; who, if she desires a flourishing and enduring Empire, must take the lead in creating and maintaining it.

This view is supported and the opposite notion, (that the Colonies should make the first move) is condemned in an admirable letter from General Tottenham of Tasmania, published in *Imperial Federation* for February, 1889. The General's contentions are these:—The offer of a substantial share of influence in shaping the foreign policy of the Empire must come from the mother country; the request for representation will never be formally made by the colonies; we cannot afford

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any longer to content ourselves with inert admiration of the "ideal" of Imperial Federation. A careful survey of the situation in Canada leads to the same conclusions. It is true that new branches of the League are being formed here, but those which have been in existence two or more years show no signs of steady progress. The federationists' admiration of his "ideal" is not contagious, and his enthusiasm has no effect upon those whose mental vision is only open to the prospect of material advantage. It seems plain to such people that, under the existing arrangements between Great Britain and her Colonies, the latter have the best of the bargain, and therefore it is not to their interest to disturb it by making any "request for representation."

Why in these days of "buying in the cheapest market," should common colonists desire any change? They are proud to be loyal subjects of the Queen, although they do not pay one cent of the household expenses of Her Majesty, or towards the annuities of the Royal Family. They enjoy the advantages of the diplomatic and consular service as much as the inhabitants of the British Isles, and entirely without cost. During the civil war in the United States Canadians made abundant use of the good offices of the British Embassy at Washington, and Canadian tourists in European capitals would, no doubt, in cases of difficulty apply to Her Majesty's representatives there. It is also well known that in negotiating trade treaties all the expensive machinery of the Foreign Office is placed at our disposal gratis. Even the British parliament is occasionally called upon to legislate for us, and the Colonial office sometimes interests itself in our behalf, all out of pure generosity and without even so much

as hinting at recompense. Added to this is the stupendous advantage which the Colonial Empire enjoys, absolutely without cost, in the protection of its shipping and shores against spoliation and aggression from every quarter. Still, to common calculating natures and sound, sordid businesslike men there is nothing in all this to cause them to wish for any change. They are very comfortable and contented and it is evident that from a material point of view there exists no reason why the colonies should make the first move towards a closer political union of the Empire.

Similar arguments might be brought up if the trade question is considered. Even in that respect the colonies are advantageously placed seeing that the control of their tariffs is in their own hands. Besides, proposals for closer commercial intercourse coming from any of the Colonies could not command sufficient attention elsewhere. When a British Commercial Union is broached in Canada, the first remark invariably is "What would England say to such a thing." Next the question is asked, "Do you imagine she will ever abandon Free Trade?" Indeed no progress towards a British Zollverein is possible unless under the initiative and leadership of the Mother Country. Let her but first hold out her hand, and it will be at once and firmly grasped by her daughter nations throughout the world.

One of the strongest arguments in favor of such action on the part of the United Kingdom is the fact that no other part of the Empire is legally capable of inaugurating legislation looking towards Imperial Union. That power is in the possession of the parliament of Great Britain. There is nothing to prevent the passage, at its

next session of a measure to secure the permanent unity of the Empire if English legislators really had the welfare at heart of the various British nations throughout the world. The parliament of Great Britain has the legal right to apply the remedy for the present loose state of things, since it possesses supreme legislative authority and can make laws for all the colonies and dependencies. In this matter it would, however, without doubt, legislate, subject to the approval of the other parliaments and governments interested. The remedy has already been mentioned in this essay, but it deserves frequent repetition. Let the English parliament levy an Imperial *ad valorem* duty on all alien goods arriving in any and every British port over and above the different local tariffs there in force. Let the proceeds of this particular duty collected in England, be kept separate from her other revenues and applied only for naval defence and Imperial purposes. Let her require that the same proceeds in British possessions beyond the sea be remitted to the Government at home, and devoted to the same purpose. Let it also be enacted that any part of the Empire declining to agree to this arrangement should have its products treated exactly like those from foreign countries, and subjected to the payment of the Imperial duty. There cannot be any doubt as to the manner in which this action would be received by the well disposed Colonies and the Crown dependencies. They would be only too willing to contribute in this way to Imperial defence, and obtain at this price a preference in the markets of Great Britain. A similar preference would await the manufactures of the mother country in India and the colonies, while foreign nations seeking these markets would

be obliged to pay for admission and thus contribute to the Imperial defence fund.

What would be the position of any colony which might refuse to comply with England's requirements? It would not cease to be part of the Empire, and would, no doubt, continue to enjoy gratuitously the same measure of protection which England so generously affords it at present. But its products would be subject to the extra Imperial duty when sent to England, while similar goods from the loyal colonies would be free from this tax. In course of time the obstreperous colony would find its circumstances quite intolerable, and no doubt be glad to improve them by accepting the proposal of England and making its contribution like the rest of the Empire.

The practicability of this plan is undoubted. It may be carried out by England at any moment, so great is the power she wields by reason of her enormous trade. Everything depends on her willingness to use this power for the purpose of securing Imperial unity, procuring an Imperial defence fund, and incidentally encouraging her home and colonial trade. Alison expresses himself as follows with regard to the importance of the latter as compared with foreign trade:—"These facts illustrate the important, and to a commercial state vital distinction between the foreign and colonial trade as they affect the market for manufactures and the means of national security. It may safely be affirmed that, on a due and general appreciation of this distinction, the existence of the British Empire in future times will in all probability depend. Experience has now abundantly proved that, even as a trading and manufacturing state, we are dependent on our colonies, if not

for the largest, for the most growing part of our exports, and that it is in these that both the most eventually important and enduring market for our domestic industry is to be found."

A study of this subject for the last six years has convinced the present writer that there is no other way in which a revenue for Imperial defence can be so readily obtained as the one above outlined. Nor is there any better plan for securing the permanent and willing adhesion of the colonies to the Empire. All that is necessary is prompt action on the part of England. To borrow a simile from the game of whist—she has the game in her own hands, but, to win it, she must lead trump.

The end has now been reached of the argument in favor of the plan of Imperial Federation laid down in Chapter I of this essay under the letters A B and C. As far as possible this plan has been elaborated and details given in the subsequent chapters although such a proceeding is not looked upon with favour by our fellow federationists. It is, however, gratifying to find that that distinguished advocate of the cause, the Rev. Principal Grant of Queen's College Kingston has also felt himself obliged to descend to particulars. Although in his earlier efforts he disapproved of putting forward any definite plan for the accomplishment of our object; yet, in his last lecture delivered in Toronto he formulates certain proposals which, when examined, will be found to approach quite closely to the scheme which has been propounded in this essay, and stated more concisely under the letters A, B and C of its first chapter. Principal Grant's proposals are as follows:—"Let us, at any rate, do what Australia has done—enter into a treaty, according to which we shall

pay so much a year for a certain number of ships, to be on our coasts in peace, and in war at the disposal of the Empire. That would be tantamount to saying: 'You have shared our risks, we will share yours; we will pay part of the insurance that is necessary to guarantee peace; we are educating officers for the army, and we are willing to give a much needed addition to the fleet.' That would be a first step towards the attainment of full citizenship. What would be the next? We could ask that our voice should be heard in some constitutional way before any war was decided on, and we would have the right standing ground from which to urge a wise system of preferential trade in the common interest. These three things are in my opinion connected, and I have ventured to indicate the order in which they should be taken." These three steps are the same in essence, as my A B C of Imperial Federation. But they are placed in a different order, and Principal Grant's third point is included in the proposal A, which accomplishes two things at one stroke; i. e. provides an Imperial revenue and establishes preferential trade. The following statement compares the two plans:—

Principal Grant proposes:

1. To provide an auxiliary fleet.
2. That the colonies should have a constitutional voice as to peace or war.
3. That a wise system of preferential trade should be urged.

Corresponding to these are the proposals put forward in this essay, if placed in the following order:

- B.** To contribute to the cost of the present navy.
- C.** That the colonies should be represented in an Imperial Senate.
- A.** That an Imperial revenue duty be levied on foreign imports.

I shall not advance any additional arguments to show that, in first adopting and working for the step defined under A, Imperial Federationists are "putting their best foot foremost." But I shall allow the editor of "Imperial Federation" to speak, who in September, 1887, penned the following noteworthy passage on this point:—"We freely assent to the proposition that the colonies ought to be represented in the councils of the Empire, but this, though true, is not the whole truth. The shadow of representation is useless without substantial identity of interests among the people represented. Take the most obvious case of a question of peace or war. Would it be any consolation to Victoria or Canada,

when their territories were invaded, to have been represented at the Council which decided upon war, if their own representatives had dissented, and the vote had been carried against them by a majority? Upon such questions, something more than a majority, something more nearly approaching a unanimous decision is requisite. But this unanimity can only be obtained when a whole nation, or every part of a scattered Empire, has the same interests at stake, and appoints their representatives in the same spirit. This is the reason why we aim first at identification of interests, and secondarily at constitutional readjustment."

CHAPTER X.

An Anglo-Saxon Common Wealth; Conclusion.

It is not an uncommon occurrence, when Imperial Federation is the subject of discussion in Canada, to hear the view expressed that the true object to strive for is not Imperialism, but the union of all English-speaking peoples, and it is frequently urged that the first step to the establishment of such a Greater Britain would be the union of Canada with the American Republic. Those who entertain this view affect to believe that such a first step would ul-

timately lead to a union with the self-governing nations of the British Empire, and the formation of an Anglo-Saxon Commonwealth, so populous, wealthy and powerful as to be without a rival in the world. This line of argument is usually adopted by those who are inclined to indulge in querulous opposition to the present Canadian Government, and who have had opportunities of mingling with and appreciating the excellent qualities of many of the

citizens of the United States.

The nearest approach to an expression, in print, of the idea entertained by this class is given by Professor Goldwin Smith in his recent book "Canada and the Canadian question." At page 265 he says, "There is a federation which is feasible, and, to those who do not measure grandeur by physical force or extension, at least as grand as that of which the Imperialist dreams. It is the moral federation of the whole English speaking race throughout the world, including all those millions of men speaking the English language in the United States, and parted from the rest only a century ago by a wretched quarrel, whom Imperial Federation would leave out of its pale. Nothing is needed to bring this about but the voluntary retirement of England as a political power from a shadowy dominion in a sphere which is not hers. There is no apparent reason why, among all the States of our race, there should not be community of citizenship, so that a citizen of any one of the nations might take up the rights of a citizen in any one of the others at once upon his change of domicile, and without the process of naturalisation. This would be political union of no inconsiderable kind without diplomatic liabilities, or the strain, which surely no one can think free from peril, of political centralisation."

It will probably occur to some readers of this passage that "Imperialists" are not the only dreamers, and that the feasible federation here spoken of is of a much more ethereal nature than that which the Professor has been pleased to call the "airy fabric of Imperial Federation." But it would be ungrateful to criticise too closely such a magnificent ideal, and the present writer is anxious to accept it as the ultimate

goal of those who are, at present striving only for the permanent unity of the British Empire, and do not consider that a still wider federation may now be mooted with advantage. It is in regard to the practical measures proposed for bringing about his "moral federation," that we are disposed to differ from Dr. Smith. It is manifestly inconsistent on his part to suggest, as the first step towards the formation of an Anglo-Saxon Union, the disruption of the British Empire, for that is what the policy of Commercial Union which he advocates really means. If the professor is really sincere in his wish for the realisation of his ideal, and at all anxious about his reputation as a practical statesman, he ought to see the wisdom of leaving the British Empire in its present integrity, and of advocating the absorption into it of the United States.

Nor would this action on his part be otherwise than sensible in the highest degree, "There is no apparent reason" why all the States of our race should not be amalgamated under a common sovereign. There is nothing to prevent the United States from applying for admission into a consolidated British Empire such as will, no doubt, be established in the near future. Supposing that this consolidation should be effected by the adoption of the measures advocated in this essay, it would be possible for the United States to join the British Empire without giving up the policy of protection which, in the opinion of the majority of their citizens, has contributed so much to their prosperity and greatness. To contribute five per cent. on the value of their imports from countries outside of the Anglo-Saxon Commonwealth would be but a trifling price to pay for immunity from attack by foreign fleets. This

immunity they could secure by becoming part of a reconstructed British Empire, and the enormous expenditure which they are now contemplating for a fleet and coast defences would be saved. Moreover, the United States could secure representation in the Imperial Senate, although that would be comparatively small on account of the high duties they levy on foreign importations. Having secured this Imperial representation, they could probably dispense with their state governments and legislatures and thus effect another enormous saving. All this will, of course, appear highly absurd to the professor and his school, but it is soberly maintained to be fifty times more reasonable than the plan the professor suggests for arriving at his "moral federation." As well might he propose to begin the construction of a railway to the moon by sinking through the centre of the earth as think of establishing an Anglo-Saxon Commonwealth by first dismembering the British Empire.

It will, of course, be maintained by Commercial Unionists that no such dismemberment is intended; that all they are striving for is the establishment of closer trade relations between United States and Canada. If so, then they will have to admit that the Americans are now committing the same mistake which Dr. Smith tells us they made a hundred years ago in driving the U. E. Loyalists from their homes. They refuse even to discuss terms of reciprocal trading, in order to force Canadians into political union with them, and they arrange the terms of their tariff evidently with the same object in view. It would scarcely be correct to say that the McKinley Bill was invented mainly for the purpose of injuring Canadian commercial interests,

but, in point of fact and owing to her situation, Canada will probably feel its effects more than any other country. Many persons here regard it as the culmination of a long course of unfriendly legislation and action, the object of which is to induce Canada to unite her fortunes with those of the United States. The Elgin Treaty of 1854, according to which the products of mines, forests and fisheries passed freely betwixt the two countries, was abrogated by the United States in 1860, because they thought that Canada had not been sufficiently friendly to the north during the civil war. Since that time the overtures which have been made by Canada to obtain some kind of reciprocity have been almost continuous. In October 1887, a letter appeared in the *New York Times* from its Washington correspondent, describing the result of these applications in the following terms: "Canada was anxious to continue the reciprocity, and was willing to offer very considerable inducements to that end, but it would not pay the price of a change of flag. Canadian commissioners came here and talked with Secretary Seward and the leading men at both ends of the Capitol. Mr. Morrill, of Vermont, now a Senator, was chairman of the Ways and Means Committee of the House. He said to the Canadians: 'If you want these commercial privileges that you talk about, take your seat by the side of us and vote for them.' Mr. Banks went further. In the first session of the Thirty-ninth Congress, he introduced a bill for the admission into the Union of the States of Nova Scotia, New Brunswick and Upper and Lower Canada. The Canadians went home convinced that nothing could be obtained from this country unless they abandoned England."

In these efforts to obtain reciprocity the leaders of both political parties in the Dominion stood on the same platform, and none of them dreamed of discriminating against the Mother Country. In 1874, the Reform or Liberal Government sent the Hon. George Brown to Washington to negotiate a treaty, and one was framed which, however, the U. S. Senate refused to ratify. This treaty had included natural products and certain lines of manufactures, the latter however being added on the distinct understanding that the same products from England would also be admitted free into Canada. Since then the Canadian liberal party has changed its political platform, and now advocates measures which seriously menace the unity of the Empire. But all the efforts of liberals and Commercial Unionists seem to be lost on the American politicians, the majority of whom expect direct unconditional surrender from Canada, and sooner or later, its political absorption into the United States.

All this proves that Dr. Smith begins at the wrong end when he seeks to form a feasible federation, a moral commonwealth of English-speaking peoples by advocating Commercial Union, whatever that may be. The Americans will have none of it unless as a step to complete political absorption, and they are honest enough to say that the latter is what they wish and expect. Furthermore, there is not the slightest ground for supposing that, if the whole of North America were united under the Republic, there would be any desire for Anglo-Saxon Confederation. The United States would be, even more than at present, the rival of the British Empire and very far from being its friend or its ally. In the past the sympathies of the Americans have

been exhibited for the enemies of England on every occasion of peril to the Empire, and it is not likely that increase of their territory and population would effect a change in their traditional policy.

During the past few months, and while the foregoing chapters were being written, events have transpired which have directed the public attention more closely than ever before to the future of the Empire, and proved the necessity of taking measures to secure its permanent unity. Before concluding this essay it may be well to bring the history of the federation movement up to date and to make some reference to the occurrences in question and to the present situation.

In spite of the refusal contained in Lord Salisbury's letter of July, 1880, the Imperial Federation League has, for the space of nearly two years' entertained the plan of influencing the English Government to call a second Conference of Colonial delegates for the purpose of evolving a scheme for the future management of Imperial affairs. To strengthen its position it endeavored to influence the Leagues in the Colonies to agitate for the calling together of such Conferences periodically, and making them part of the governing machinery of the Empire. On the first consideration of this matter the Council of the League in Canada adopted unanimously the following resolution: "That in view of Lord Salisbury's declaration that his government will be happy to receive and to consider any suggestions which the League desires to make for the purpose of modifying the relations betwixt Great Britain and its Colonies, this Council is of opinion that a meeting of delegates from the various branches of the League should

be called by the parent League to decide upon what suggestions should be made for the consideration of Her Majesty's Government with a view to the calling of a second Colonial Conference." This resolution was embodied in an excellent explanatory letter by Mr. Castell Hopkins, Hon. Secretary of the League in Canada on the 12th November, 1889, and sent to London but evidently did not give satisfaction at headquarters. In consequence of representations from thence, the Council of the League in Canada passed another resolution, on the 10th December, to the following effect:—"The resolution proposed by Sir Frederick Weld upon the resolution passed at the last meeting of this Council having been considered by this Council, it is resolved that, regard being had to the difficulties deemed insurmountable by the Executive Council of the Parent League of holding a convention of delegates, that the resolution passed at the suggestion of Lord Rosebery for the establishment of Imperial Conferences be and the same is hereby approved. But this Council would regret that any conference should be held at which the question of inter-Imperial and Colonial trade would not be deemed a subject of first-class importance."

Although its policy was thus endorsed by the League in Canada, the League at home took no further steps to carry it into effect, in consequence, it is said, of the impossibility of getting Australian statesmen to attend any conference in London while proceedings were being taken to federate the colonies of the South Pacific. But time and tide wait neither for man nor league, and the course of other events promises to lead to the consolidation of the Empire in a manner altogether independent of the plans of orthodox

Imperial federationists, or in such a way as to force them to action.

The first of these events was the passage by the U. S. Congress in September 1890, of the McKinley Tariff Bill. Although, in the following November elections, the people may be said to have disapproved of such extremely protective legislation, there is no doubt that both political parties in the United States are solemnly pledged to the principle of protection to American industries. Mr. McKinley himself although he failed of reelection still supports the same policy, which may be said to be that of the Republican party, and quite recently expressed himself regarding it as follows:—

"We must protect ourselves against the people of other countries. This is according to the dictates of patriotism and the doctrine of the protective tariff. The foreigner cannot be reached by your tax gatherer. Why should we not make him pay for the privilege of coming? He has nothing in common with us. Why should we not stop him at our Custom House? I tell you that we will never open our markets to the products of European labour until the foreigners level up the condition of their labour to ours. Then we will meet them in the neutral markets of the world—then, and never till then. Why should we give up these markets to foreigners? They are the best under the shining sun. We consume more than any other 62,000,000 people on the face of the globe. We buy more because we have more of the wherewithal to buy than others. We have more of the wherewithal to buy than others because our conditions give the rewards of trade to the laborer. Old men may be free traders, but in God's name let no young man, who has his career to

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make, espouse the cause of a revenue tariff. We have in this country five per cent. of the population of the earth, and yet we consume twenty per cent. of the sugar, thirty per cent. of the coffee, thirty-five per cent. of the cotton, forty per cent. of the coal, and fifty per cent. of the tin. And we are going to make our own tin pails, too."

Not only does Mr. McKinley thus plainly avow the object of his bill, but Mr. Andrew Carnegie, in his article concerning it, published in the *Nineteenth Century* for June last, explains, with "brutal frankness," that its provisions were framed for the purpose of breaking down the Colonial differential duties of such countries as Spain, and in order so gain the advantage over England in her foreign markets. One of its sections provides for the payment of a drawback on the exportation of articles manufactured or produced in the United States, equal in amount to the duties on the imported materials which have been used in their manufacture and another section, the reciprocity clause, empowers the President to suspend the provisions of the McKinley Act regarding the free introduction of sugar, molasses, coffee, tea, and hides into the United States, as regards any country whose government imposes duties on the agricultural or other products of the United States. Mr. Carnegie claims that already a favorable treaty has been negotiated with Brazil and that Spain has been obliged to change her Colonial trade policy. "Hereafter" says Mr. Carnegie "not a barrel (of flour) can come from the parent land. Spain up to this time had not learned from Britain how a fond mother, *more fond than wise perhaps*, could favor her children, and protect her colonies not for her own, but for their welfare, motherlike, demand-

ing in return. . . . Cuba will hereafter be of as little good to Spain as Canada is to Britain; nay, may and probably will become the source of serious trouble and danger to Spain, without the probability of being any good to her; and, again, I may add, as Canada is and probably will become to Britain."

Notwithstanding such plain declarations of commercial war by the United States, it does not appear that the people of England have fully realised the dangerous character of the McKinley Bill. Another of its prominent features is the great increase in the duty upon tinplates, the evident object of which is to start the manufacture of these in the United States. This is one of the few manufacturing industries in which Great Britain still maintains her pre-eminence. In September, 1890, the Iron and Steel Institute of Great Britain was formally greeted in New York with hearty words of welcome by the same Mr. Carnegie above referred to, and among the members were not a few tinplate manufacturers, whose "curses not loud but deep" no doubt formed an appropriate running accompaniment to Mr. Carnegie's high sounding periods. It was my privilege to, listen to the opinions of some of the men of Sheffield and Cumberland and Glasgow while comparing American and English methods, manufacturing and finance on the way from Niagara to Montreal. Many of them, indeed, seemed to have made up their minds that some change in the character of England's fiscal policy was necessary, but not a trace of this feeling was visible in any of the official speeches at the meetings of the Institute. In these no mention is to be found of the follies of protection, no hint of the enormities of the McKinley Act. The speakers from

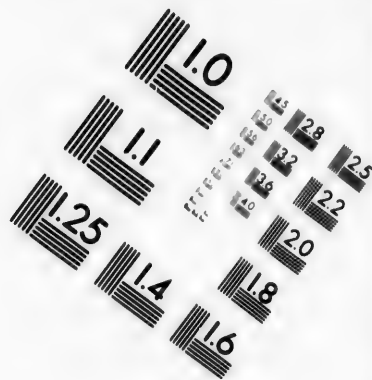
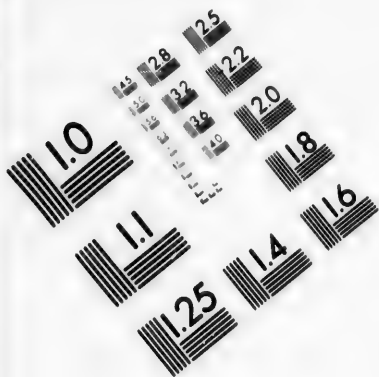
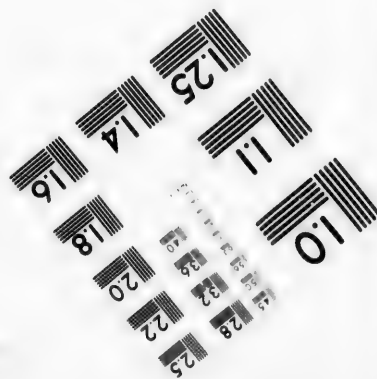
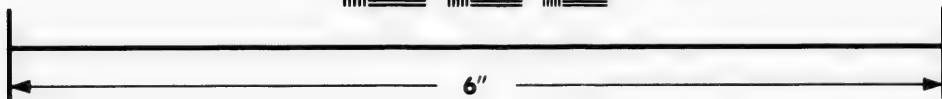
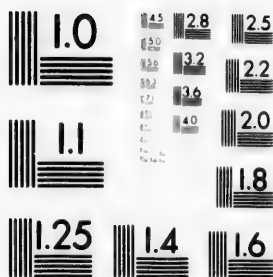


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England were of the character that the Americans call "doughfaces," and the president, Sir James Kitson, spoke of "winding the silken chains of commerce round the world," as if that were the chief end and aim of the commercial policy of the Great Republic. Its citizens could not possibly have enjoyed a better specimen than this of the sort of eloquence which they are accustomed to characterise as "bunkum."

The second event of consequence took place in February of this year when the Dominion Parliament was dissolved, and the political issue placed squarely before the electors of the country by Sir John Macdonald in these words: "The question which you will shortly be called upon to determine resolves itself into this—shall we endanger our possession of this great heritage bequeathed to us by our fathers and submit ourselves to direct taxation for the privilege of having our tariff fixed at Washington, with the prospect of ultimately becoming a portion of the American Union." The gravity of the crisis was everywhere recognised, and especially in the Mother Country. The organ of the League earnestly hoped for the success of the Conservatives and declared that "we must bestir ourselves here at home and there in Canada, and take care that, so far as lies in our power, means may be devised to bring about such a sound and final settlement of the Colonial question as shall render a crisis of the Empire, like that we are passing through to-day, impossible of recurrence in the future." Nevertheless the League itself continued apathetic, and made no move towards realizing its pet policy of periodical conferences.

The proceedings in the so-called Imperial parliament in reference to this

subject constituted another of the series of events to which reference has been made. On the 12th February last Lord Dunraven moved the following resolution in the House of Lords: "That, in the opinion of this House, it is desirable that the Colonial Governments be invited to send representatives to a Conference to be held in London, to consider the advancement of trade within Her Majesty's dominions, and the formation of a fund for certain purposes of Imperial defence." Lord Salisbury in a remarkable speech gave reasons in support of the government's opinion that for the present "the summoning of a conference is not expedient." The same matter was brought up by Col. Howard Vincent in the House of Commons on the 17th February, with a similar result, Mr. Goschen expressing himself as follows: "But to invite a formal conference of representatives of the colonies without some basis or ground which would lead us to believe that some progress would be made, and to ask them to meet here without first principles having been settled, upon which any arrangement could be come to, would seem to be a course which must end in disappointment, and would be unlikely to lead to any practical result." Thus, after a delay of a year and a half, another declaration was elicited from the English government, which showed that their policy as regards colonial or Imperial Conferences had undergone no change, and was quite at variance with that which had been adopted by the managers of the Imperial Federation League. One might have been pardoned for thinking that these declarations would have settled the matter, but this was not the case. A month later the Council of the Imperial Federation League returned to the charge and

passed a resolution insisting upon an interview with Lord Salisbury to urge the convocation "of a conference of the self-governing countries of the Empire to consider the question of securing to them a real and effective share in the privileges and responsibilities of an United Empire, under conditions which are consistent with the present political constitution of the United Kingdom, and with the self-government possessed by the Colonies." The interview was granted and took place on the 17th June, 1891. Lord Salisbury fully recognized the importance of the question, but concluded with the statement that he could not summon a conference of colonial statesmen until a definite scheme of Imperial Federation had been prepared.

Under these circumstances the colonial members of the League may very fairly question the motives of the leaders, and doubt whether these were really entertained with a single eye to the advancement of the cause of Federation. If confidence is to be restored among the rank and file, in the singlemindedness and ability of the Executive Committee and Council, it will be necessary for the former to devise means at once for making the suggestions to Lord Salisbury which his letter of July, 1889, still calls for, and his recent declaration almost demands. It is not easy to see how this can be done without a gathering of Imperial Federationists from all parts of the Empire, such as was proposed by the Canadian League in 1889.

On the 5th March, the elections took place in the Dominion with the result of sustaining the government of Sir John Macdonald, although by a reduced majority. There is no doubt that large numbers of liberals in the urban constituencies, displeased with the

trade policy of their leaders, voted with the conservatives, but it is just as certain that many more of the latter in the agricultural districts must have voted against the government, most likely on account of the hard times among the farmers, and reasoning that as these could not be worse it might be as well to try a change of government as a possible cure. Other issues, such as those connected with the Equal Rights agitation, may have complicated the question submitted to the electors, but on the whole the conclusion seems justified that the agricultural communities are getting more and more accustomed to "look to Washington." That they would find commercial or political salvation there is very much to be doubted, but they may think there is a chance, and nothing in the shape of a chance is offered them from any other quarter.

Sir John Macdonald, at the age of 76, took part in the contest with his usual energy, and as regardless of the consequences to himself as any high souled commander on the field of battle. No doubt like Wellington at Waterloo he was told by his aides, "This is no place for you; you had better move;" and no doubt he gave the same reply, "I will, when I have seen these fellows off." About three months afterwards on the 6th June, 1891, he may be said have "died of his wounds," received in his last great political campaign, or, as he himself called it his "last effort for the unity of the Empire and the preservation of our commercial and political freedom." In the Dominion he cannot be replaced and in England the Imperial Federation League will, no doubt, now fully realize that, while they have been fumbling and mumbling in reference to a policy, their wisest and

most powerful ally in this country has passed away.

The recent electoral contest was fought between a majority of loyal Canadians, with little or no moral or material support from the United Kingdom or the Empire, and a discontented or disloyal minority enjoying the sympathy of the great mass of the people of the United States, and and not a little substantial assistance from certain active spirits among them. The gravity of the issue was recognized by many of the statesmen and leading newspapers of Great Britain, but expressions of sympathy for or suggestions of aid to those colonists who were fighting the battle of the Empire, as well as their own, were few and far between. Since the victory much of the interest in the struggle of Canadian political parties has subsided. The *Scotsman* thinks that the Canadian conservatives should see the necessity of becoming free traders; the *Standard* admits that the prospect for Canada cannot be said to be more reassuring if she turns from the south and looks eastward for relief, and it adds that the project of creating an Imperial Zollverein, into which Canada might enter with the rest of the Colonies, is indeed a visionary one. A crumb of comfort is perhaps afforded us in a leading article in the *Times* of 5th May, from which we quote the following remark: "The Canadians have proposed giving tariff benefits to the Americans and to the West Indies—who by the way have not shewn themselves appreciative of the favor—but never to the people of the mother country." The tariff benefits here referred to are of the nature of preferences, or discriminations, and there is not the slightest doubt that Canada would offer the same to Great

Britain, if there was the slightest chance of their being reciprocated.

But through the cloud of English blindness or indifference, not to mention hostility, a ray of sunlight has broken. Perhaps the most important event in the series which we are trying to describe is the formation in the United Kingdom of the United Empire Trade League. In April a general invitation was issued by Mr. C. E. Howard Vincent to form "a strong association having the great aim in view of developing by all possible means the commercial relations between the Mother Country and the Colonies, and between the Colonies themselves." Although the multiplication of such organisations is to be regretted, it seems to be unavoidable in view of the fact that the Council of the Imperial Federation League avoids the consideration of the commercial question, and busies itself about providing the colonies with political "privileges and responsibilities." The new League will, without doubt, earn a much wider sympathy, and more rapidly achieve its object of establishing "mutually advantageous trade relations among all who share allegiance to Her Majesty the Queen." Already over seventy members of the English House of Commons have signified their approbation of its object, and in the corresponding body of the Dominion nearly a hundred members have declared over their own signatures their willingness to join the new League. Lord Salisbury, however, points out that the League "must work hard to convert their countrymen to the Leagues way of thinking, for it was impossible for England to give preferential treatment to the Colonies at the expense of the rest of the world." His Lordship should be reminded that charity begins at home and he

might also be recommended to consider an argument already used in this essay, according to which "the rest of the world" might very fairly be put to expense for the support of the British navy, because it is, in reality, the marine police force of the whole world. By levying a duty on foreign importations, not exclusively for the benefit of inter-British trade, but primarily in order to raise a Defence Fund, the first step would be taken for initiating the "Kriegsverein" of British peoples regarding which Lord Salisbury has so frequently spoken.

Besides the encouraging fact of the formation of the United Empire Trade League, and the recent favorable utterances of Lord Salisbury and other British statesmen regarding the consolidation of the Empire, other circumstances seem to justify the statement that the question is gradually entering the sphere of practical politics. It has not yet become a bone of contention among the parties, but it has enjoyed favorable consideration by statesmen of very different political opinions. Lord Beaconsfield and Mr. Foster, Mr. Smith and Mr. Gladstone, Mr. Stanhope and Lord Rosebery, Sir John Macdonald and Oliver Mowat have all more or less favored Imperial Federation. At the present time old party lines are being obliterated, and there appear to be grounds for thinking that in the near future the party names now current of Conservative, Liberal Unionist, Gladstonian, Radical, Home Ruler, Liberal Conservative, Reformer, Nationalist, and others will disappear, and that only two parties, Unionists and Secessionists, will stand opposed to each other throughout the Empire; the one seeking to preserve our inheritance undivided, as did our neighbours in the United States, and the other striving to dis-

credit and dismember the most glorious Empire which the world has ever seen.

I must now bring to a close this essay in which, I have endeavoured to take away the reproach of Imperial Federationists, who are so often taunted with having nothing but aspirations, with having nothing tangible to propose in the shape of practical measures. I have tried to sketch a plan for consolidating the Empire, giving it an "underpinning" of commercial and industrial unity and prosperity and surmounting it by a Parliament of Parliaments and the Imperial Crown. I have especially insisted upon the necessity of encouraging and guarding the material interests of the Empire, in preference to those of the rest of the world. Love of country can no more exist in a starving community than a healthy human soul in a neglected body. The solid foundation for patriotism and indeed all other national virtues is material prosperity and progress, well cared for and promoted by wise, far-seeing and practical legislation. This is admitted even by the representatives of the Manchester School. We are told by an eminent liberal authority that "domestic comfort is the object of all reforms," and the same author (Morley) in his *Life of Cobden* says that that great reformer maintained that in material well being, "you not only have the surest foundation for a solid fabric of morality and enlightenment among your people, but, in the case of one of our vast and populous modern societies of freemen, the only sure bulwark against ceaseless discord and violent convulsion."

I have been induced to write this essay for the reason, among others, that other writers on the subject seem to be unwilling to face the difficulties of detail, with which the question

abounds. I also desired to give a reason for the faith, that is in me, an Imperial Federationist, a thorough believer, not only in the practicability of consolidating the Empire, but also in the material advantages and still greater blessings, which closer union is sure to confer upon the whole British Commonwealth.

There are higher considerations connected with this subject, which involve the welfare of the whole human race, and the spread of Christian civilisation. But it is impossible to do more, in concluding, than mention one of these. The statement that "the Empire is peace" is one that could be made regarding a consolidated British Empire with absolute truth, and it is one that has been emphasised by many of the advocates of Imperial Federation. England, united with her daughter nations, could have nothing to fear from any power on earth, and, own-

ing, as they do, several of the earth's continents they would have no reason for undertaking wars of conquest. They could not afford to engage in any except just quarrels and for such the United Empire would be thrice armed. It would in fact become the arbiter among the nations of the world, and, by its instrumentality, it might at last become possible for a universal and united Christendom to sing:—

"Praise, O Jerusalem! Praise the Lord!

"He maketh strong the bars of thy gateways,

"He giveth peace within thy borders;

"He restraineth wars in all the world;

"He breaketh the bow; he knappeth the spear and burneth the chariots with fire."

OTTAWA,
DOMINION DAY,
1891.

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